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Greece and Turkey Start Talks But Expect No Quick Solution

By Loren Jenkins
Washington Post Service

ATHENS — Amid a rash of Turkish demonstrations in the heart of Athens, Prime Minister Turgut Ozal of Turkey started three days of talks today with Prime Minister Andreas Papandreu in an attempt to resolve the historic feud between the two NATO nations.

But even as the two leaders' hands at Athens international airport, there was a mood of gloom about the prospects of the talks. The main issues separating them are the two issues that have long separated the two nations: the division of Cyprus and the status of northern Cyprus and the Aegean Sea.

To the surprise of some diplomats, the honor guard that greeted Ozal was made up of commandos in battle dress, not ceremonial uniforms. And there was no exchange of national anthems, as is customary on such state visits.

Mr. Ozal, however, seemed unbothered. In an arrival statement, he said he did not expect too much from the talks, while emphasizing the fact that he was the first Turkish prime minister to visit Greece in 36 years.

"While searching for solutions to problems, we have above all to be patient," Mr. Ozal said. "This is a task which falls on all of us. The nature of our existing problems are not of a kind that can be undone with a single stroke of sword-like the Gordian knot."

Mr. Papandreu wasted little time in making clear that to him the issue of Cyprus, which was invaded by Turkey in 1974 and whose northern half still is occupied by 29,000 Turkish soldiers.

A formal dinner followed the two leaders' first meeting Monday afternoon at a seaside hotel on the outskirts of the Greek capital while about 4,000 anti-Turkish demonstrators gathered at Athens University in the city for a protest march against Mr. Ozal.

In a speech at the dinner, Mr. Papandreu made it clear that as long as Turkish troops remain in Cyprus, relations between Greece and Turkey cannot be normalized.

"It is evident that progress in Greek-Turkish relations is directly affected by the solution of the Cyprus problem," Mr. Papandreu told his Turkish guest, "and the solution of this problem is directly linked with the withdrawal of troops from the island."

In their two previous meetings, in Davos, Switzerland, in January and in Brussels two months later, the Turkish prime minister had managed to keep Cyprus off the agenda by insisting that it should not be linked to the issue of Turkish-Greek relations.

Only last week, while in the United States, Mr. Ozal insisted he would not pull out "even one soldier" from Cyprus under pressure and that the issue of a withdrawal had to be contingent on an agreement reached between Greece and Turkey on the Cyprus issue.

Cyprus' Greek president, George Vassiliou, is expected to meet with the island's Turkish leader, Rauf Denktas, in the next few days.

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Escorted by Prime Minister Andreas Papandreu of Greece, his Turkish counterpart, Turgut Ozal, salutes the crowd on his arrival at Athens international airport on Monday for top-level discussions.

Ethnic Conflict Flares Up Again In Soviet South, Policeman Slain

By Bill Keller
New York Times Service

MOSCOW — Widespread unrest has erupted again in Azerbaijan and Armenia, leaving a policeman dead of a gunshot wound in Azerbaijan, and Yerevan, the capital of Armenia, paralyzed by a general strike. Soviet officials and residents of the region said Monday.

Virtually all businesses and schools in Yerevan were reported closed by a strike called to support Armenian claims to the enclave of Nagorno-Karabakh. The territory is in Azerbaijan but its population is predominantly Armenian.

The new Armenian Communist party leader, Suren G. Arutyunyan, told thousands of protesters Monday afternoon in central Yerevan that the Armenian legislature would vote on Wednesday to support the protesters' demand.

But Moscow has insisted that no territorial changes are possible unless Azerbaijan agrees and Moscow gives its approval.

Thousands of Azerbaijanis gathered Monday in the streets of their capital, Baku, to demand that Nagorno-Karabakh remain under Azerbaijani control, Baku residents reported.

An official of the Azerbaijan press agency, Azerinform, said Monday night that the new party leader of the republic had told the crowd that the Executive Committee of the Azerbaijan legislature had voted down a proposal to surrender Nagorno-Karabakh.

The Soviet press spokesman, Gennadi Gerasimov, confirmed reports that an Azerbaijani policeman had been killed by a rifle shot fired by an Armenian after a Baku demonstration on Saturday.

Mr. Gerasimov said there was no evidence linking the shooting to the Nagorno-Karabakh dispute. A resident of Baku said Monday that the shooting had contributed to a sense of tension in the city.

Mr. Gerasimov reported that local authorities had "lost control" of the situation in Nagorno-Karabakh itself, where an Armenian strike has shut down most of the region's industry for three weeks.

The new outbreak of unrest in the two southern republics was the most serious since February, when rioting killed 32 persons, mostly Armenians, in the Azerbaijani industrial city of Sumgait.

Last month, after a court in Sumgait sentenced the first defen-

dant in the riots to 15 years for murder, Armenian protests flared anew. The Communist leaders in both republics were dismissed.

On Monday, according to residents, the new leaders addressed rallies in Baku and Yerevan.

The central issue is Nagorno-Karabakh, a mountainous wedge of land claimed by both peoples as a birthright of national culture. The predominantly Armenian population has long chafed under Azerbaijani rule, complaining that the Armenian language and culture are neglected.

Last week, the government newspaper *Ishtak* described a tense situation in the republic, with strikes in several cities contributing to food shortages and Armenian vigilante bands patrolling streets at night.

According to Azerbaijan radio broadcasts monitored in the West, Communist Party leaders in the enclave called Sunday for a crackdown on public demonstrations and for criminal proceedings against strikers.

In their latest attempt to annex Nagorno-Karabakh through legal channels, Armenians have focused on the upcoming meeting of the

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Reagan Asks Allies to Join Drug Fight

By Peter T. Kilborn
New York Times Service

WASHINGTON — President Ronald Reagan urged the United States' biggest industrial allies on Monday to join in "a common offensive" against international trade in illegal drugs.

He particularly asked for steps to prevent the use of legitimate international banks for moving drug dealers' money across borders.

The president made the appeal in a speech about his agenda for the economic conference that he is to attend in Toronto from Sunday through Tuesday with the heads of the six other biggest industrial democracies.

In citing an issue that also has become prominent in the U.S. presidential election campaign, he made it clear that the countries are moving to deal with the issue at an international level as well.

An administration official said he expected the summit countries — Britain, Canada, France, Italy, Japan, the United States and West Germany — to do more than merely deny the hazards that the drug trade poses for them.

"I think they'll establish something — a group, a commission, a study — so we can cooperate more closely on drugs," he said.

In the speech, to an organization of private sector supporters of the North Atlantic Treaty Organization known as the Atlantic Council, Mr. Reagan also signaled several other issues that the administration plans to draw attention to in Toronto.

He asked that the summit countries help restore the economies of the Philippines and Afghanistan, provide new debt relief to the poorest African countries and urge the "newly industrialized countries," a term that usually applies to nations such as South Korea and Singapore, to assume more responsibility for keeping the world economy growing.

The bigger, more contentious issues that have occupied these conferences in past years will be emphasized in Toronto. Joined by the collapse of world stock markets have led the world economy to grow at a slower rate.

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France Votes for Pragmatism

By James M. Markham
New York Times Service

PARIS — In a watershed parliamentary election, France's voters have effectively invited their politicians to abandon an ideological confrontation between right and left and to give the country pragmatic, middle-of-the-road governments.

By denying them an absolute majority in the 571-member National Assembly in the voting on Sunday, the electorate challenged President Francois Mitterrand's Socialist to make a reality out of vague promises to open French politics to the center. This is a hazardous enterprise that politicians say may take many months.

With 276 seats, the Socialists emerged from the election as the biggest bloc in the legislature. But to secure the passage of legislation, Prime Minister Michel Rocard, a moderate Socialist, will now have to seek allies on his right among

France Votes for Pragmatism

numerically, the junior partner in the rightist camp.

In the coming days and weeks, the drama of French politics will pivot on decisions taken by self-styled "centrist" legislators, who must decide whether they will form an autonomous group within the National Assembly or remain loyal to the rightist coalition that fought the legislative election, and that backed Mr. Chirac, the former prime minister, in his unsuccessful presidential bid.

Raymond Barre, another former prime minister, has contended that a centrist bloc could evolve into a swing party similar to West Germany's Free Democrats, becoming the indispensable coalition partner for the Socialists or, at some future date, the remnants of the Gaullist-dominated right.

The centrist's hesitations are partly dictated by considerations of political survival. French deputies

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Israelis Urge More Guns to Curb Unrest

By David Remnick
Washington Post Service

JERUSALEM — Israeli cabinet ministers called Monday for the use of more guns to put down the Palestinian revolt in the occupied territories, where hospital officials said Israeli soldiers had shot a Palestinian in the head, killing him.

Also Monday, Mubarak Awad, a Palestinian-American civil disobedience activist, was deported. Prime Minister Yitzhak Shamir said the expulsion was necessary to deter violence.

Defense Minister Yitzhak Rabin and Industry Minister Ariel Sharon spoke out about the need to use guns to punish throwers of firebombs and arsonists who are said to be responsible for the destruction of some Israeli forests in recent weeks.

Mr. Rabin said at the weekly cabinet session on Sunday that he had authorized Israeli civilians in the occupied territories to shoot at Arabs holding firebombs, the Jerusalem Post reported.

Mr. Sharon, a former defense minister, said on army radio that anyone bearing a firebomb should be shot and killed, not only after bombs have been thrown.

"They must be shot with the intention to kill to allow normal life for both Arabs and Jews," he said.

Israeli officials also discussed punishment for Palestinian militants blamed for fires that have destroyed at least 35,000 acres (14,000 hectares) of woodland and farmland recently, Israeli officials said.

In the West Bank town of Abwein, Israeli troops on an early morning search shot and killed Dith

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Kiosk Jury Blames Tobacco Firm

NEWARK, N.J. (AP) — A federal jury Monday found that the Liggett Group Inc. failed to warn the public about the dangers of cigarettes, marking the first time a tobacco company has been found liable for contributing to a smoker's death.

The jury assessed the Liggett Group Inc. \$400,000 in compensatory damages for the 1984 death of Rose Cipollone of Little Ferry, New Jersey. It cleared two other cigarette makers, Philip Morris Inc. and Lorillard Inc., in her death. (AP, UPI)

Banks Block Takeover Bid In Germany

By Ferdinand Protzman
International Herald Tribune

FRANKFURT — West Germany's first hostile tender offer for a publicly traded company fizzled Monday as the banks short-circuited a planned bid for control of the conglomerate Feldmühle Nobel AG.

The brothers Gert-Rudolf and Friedrich Christian Flick said they would not make their planned takeover bid for Feldmühle because of a surprising rise in the company's share price in trading before the bourse opened had reduced their chances for a successful takeover.

They said the surge was artificial and caused by "indiscretions and special influences," but they did not elaborate.

Feldmühle Nobel, a paper, chemical and heavy industrial group, was created from the industrial core companies of the Flick empire in 1985.

Friedrich Karl Flick, sold the family-owned industrial concern to Deutsche Bank AG, West Germany's largest commercial bank, for 5.3 billion Deutsche marks (\$3 billion). Deutsche Bank retains an estimated 10 percent stake in the company and further influence through proxy holdings.

Market experts said the plan for the unfriendly bid, which had been the focus of rumors for several weeks, was thwarted mainly by the power of West Germany's closely knit banking community, which is adamantly opposed to hostile takeovers. Deutsche Bank is believed to have led the opposition.

"It looks like Deutsche Bank won this one," said a Frankfurt banker who requested anonymity. "No one knows if they bought up those shares or struck a deal with the Flicks, but it is entirely clear they were going to fight them with all the means they possess. And other banks often follow Deutsche's lead." Deutsche Bank officials could not be reached for comment.

"Hostile takeovers are physically possible in West Germany, but they are almost unknown," said Madeline Hall, assistant director of Schroeder Investment Management Ltd. in London. "The banks,

Gorbachev, in a First, Meets a Cardinal

By David Remnick
Washington Post Service

MOSCOW — Mikhail S. Gorbachev, the Soviet leader, held a historic meeting Monday with a high representative of the Vatican. The Kremlin meeting marked the first time a head of the Soviet Communist Party has had talks with a Catholic prelate.

The Vatican's secretary of state, Cardinal Agostino Casaroli, gave Mr. Gorbachev a letter from Pope John Paul II outlining the Vatican's positions on a number of issues, including its objections to the Soviet Union's treatment of Ukrainian Catholics, who have been forced to practice their religion underground since 1946.

The meeting comes during the celebration of 1,000 years of Christianity in Russia. The Vatican and the Kremlin have not had diplomatic relations since the 1917 Bolshevik Revolution, and while Cardinal Casaroli said the talks were held "in a good atmosphere," he added that it was too soon to consider the opening of diplomatic relations between them as imminent.

"I personally have great hopes of improvements in the relations between the Soviet Union and the Vatican," the cardinal said.

A Vatican spokesman added that the two sides were now searching for "concrete" ways to make the dialogue "ongoing and not a one-shot deal."

Mr. Gorbachev, according to the Soviet press agency Tass, told Cardinal Casaroli that outside interference in church affairs was "unacceptable" but added that the Kremlin would "attentively consider" the message from the pope, including the question of giving a regular character to contacts between the two states.

In recent months, Mr. Gorbachev has made a number of conciliatory gestures to the Russian Orthodox Church, and he has promised greater legal freedoms for all the country's religious believers.

As Miss Moscow Struts, the Crowd Flips

By David Remnick
Washington Post Service

MOSCOW — Lo, lo, lo. Lolita, light of their lives, fire of their loins, you are Miss Moscow 1988.

Forget the summit, the publication of "1984," the Yegor Ligachev-Mikhail Gorbachev battle, the upcoming special conference of the Communist Party of the Soviet Union. Perhaps the strangest event in the young history of Soviet reform is over, and the creation of an exile — Vladimir Nabokov's fair nymph Lolita — is at the center of it all.

After months of trials and a final competition, a jury of poets, artists, jocks and other serious-minded Slavs picked Sunday the Soviet capital's "most beautiful girl." And while Mr. Nabokov's novel is still considered an obscene bourgeois novel, the real thing, apparently, is the contest. The youngest of all the contestants — 16-year-old Maria Kalinina.

Miss Kalinina (brunette, no measurements given, none asked for) won a cruise to the Mediterranean and a contract with a West German fashion house. One of the runners-up got a trip to North Korea. Some got cosmetics. Losing is hard.

The most memorable part of Kalinina's performance after three days of strutting lasciviously along the stage was her little Betty Boop number, in which she wore a green-and-white striped skirt over a thong bikini and kept flipping up the skirt and bending over.

"Whoop!" she'd say, and every time she did it the crowd went crazy. Hundreds of photographers pointed their lenses at her, and she'd lean over to them, and pucker her mouth.

When the members of the Soviet press asked the contestants various and ridiculous questions, no one stood out much. The main test was to see which of the contestants would on the elastic of their bathing suits. Maria, bless her, tugged like mad.

Tass, the silver-tongued news agency of the Soviet Union, called the pageant "peculiar."

The main test was to see who would tug on the elastic of her swimsuit.

and there could be no arguing with Tass on that. The contestants were judged on ballroom dancing, "aerobics," meaning jumping around in spandex; "fantasy," which meant wearing high heels and bikinis; "harmony without makeup"; and "their ability to choose an evening dress for themselves." Such skills are about as indigenous to the Soviet Union as wind surfing and championship tanning.

For the directors of the Miss Moscow contest, the event was "part of perestroika, part of becoming more broad-minded and letting women feel feminine." But this really was a fantasy of Western femininity and sexuality through a Soviet prism. It was hard to tell who came out worse, the imitator or the imitated.

For weeks, there was an ongoing debate over the wisdom of the contest in the letters

SOUTH AFRICA
Bryanston 12 4408

LATIN AMERICA
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Caracas 12 4408
Cuba 12 4408
Lima 12 4408
Medan 12 4408
Miami 12 4408
Manila 12 4408
New York 12 4408
Singapore 12 4408
Tientsin 12 4408

MIDDLE EAST
Amman 12 4408
Beirut 12 4408
Cairo 12 4408
Doha 12 4408
Jeddah 12 4408
Kuwait 12 4408
Riyadh 12 4408

FAR EAST
Bangkok 12 4408
Hong Kong 12 4408
Kuala Lumpur 12 4408
London 12 4408
New York 12 4408
Singapore 12 4408
Tientsin 12 4408

AUSTRALIA
Sydney 12 4408

NEW ZEALAND
Auckland 12 4408

General News
Toronto the Good' lives up as the economic summit meeting nears. Page 2.

Business/Finance
SAS placed an order worth up to \$1.5 billion for 61 McDonnell Douglas jets. Page 9.

Dow Jones
The Dollar in New York
Down 2.31
DM 1.7225
Pound 1.817
Yen 125.125
FF 5.8165



Maria Kalinina after winning her crown.

page of Moscow Komsomols, a popular youth newspaper.

People wondered with Mr. Ligachev, Gorbachev's conservative rival, if the Soviet Union was not, finally, leaning too far West.

Others wondered if the contest didn't exploit its own contestants, make them look "animal-like." But then sanity took over, and a 27-year-old with a "wonderful" moon and a talking parrot wrote that he would marry the winner.

"I would prefer a blonde with long legs and brown eyes, slim and in her prime, not necessarily very intelligent." And that was that.

The crowd of 12,000 at the Luzhinki Sports Palace was, by Soviet standards, out of its collective mind, a frenzied audience focused on all that wiggled.

When the judges whittled the list down to six, the contest took on a new dimension. The top six got into their bathing suits, put on high heels and wraparound sunglasses and paraded around the stage.

"These girls are demonstrating to you a fantasy," the emcee cried.

Finally, the judges went off to their "isolation room" to make their decision. They took quite a long time, and the Soviet television commentator wondered aloud if there wasn't something fishy going on. Finally he burst into the jury room:

"What are you doing here?" the jury cried. "What's taking so long?" the commentator demanded. "Is this democracy?"

"Go away," they said.

Moments later, Maria Kalinina was crowned. It was over. Lolita had won.

'Toronto the Good' Pledges Excitement Too as Summit Nears

By John F. Burns
New York Times Service

TORONTO — When a rusty freighter carrying 174 Indian Sikhs nudged illicitly into a rocky Nova Scotia cove last summer, one of the Sikh immigrants waded ashore, attached case in hand, and asked the first resident he met for help in summoning a taxi to Toronto, more than 1,000 miles away by road.

Like more than a million Italians, Hungarians, Chinese, Indians and people from the Caribbean who have settled in Toronto since World War II, the Sikhs were lured to a city that has outgrown its image as a colorless Anglo-Saxon bastion to become one of the continent's fastest-growing and most ethnically diverse metropolises.

With 2.1 million people, Toronto is also by far the safest city of its size in North America, with rates of murder, robbery, car theft and subway violence comparable to what many U.S. cities experienced in the 1950s.

For three days beginning Sunday, the city that calls itself "the most livable big city in North America" will be host to the

annual economic summit meeting of the seven leading industrial democracies.

President Ronald Reagan and the leaders of Britain, Canada, France, West Germany, Italy and Japan will be in the city to discuss exchange rates, agricultural subsidies and the role of gold. But civic and business leaders hope that the official delegations and the 2,300 journalists assigned to the event will discover that the city known for decades as Toronto the Good has shed much of its dullness to become one of the most appealing modern cities anywhere.

"In the postwar era, we had lots of civility, but not a great deal of color and excitement," Art Eggleton, 44, the city's mayor, said last week. "Now, we've got the excitement, without losing the civility."

As he spoke, work crews were hauling new carpets and paintings into his office, which is to be used by Prime Minister Brian Mulroney for his initial meetings with each of the six other leaders. The improvements are part of a \$1.5-million effort by the city and the province of Ontario to use the summit meeting to promote

Toronto, particularly in its rivalry with Athens to play host to the 1996 Summer Olympics.

Some of the old Toronto staidness remains. Recent moves to permit shopping on Sunday afternoons were defeated because of opposition from church and civic groups. Winters, too, are depressingly long and cold, with a penetrating dampness that sweeps in off Lake Ontario and drives virtually the entire middle class of the city to vacations in Florida and the Caribbean.

And the boom in growth has not come without growing pains. Toronto faces problems with traffic congestion and in providing housing that people of modest means can afford. The number of homeless people is rising, although still relatively small for a city of Toronto's size. In addition, there are fears of a recession if a free-trade agreement with the United States is put into effect.

Today, however, the city's prosperity is reflected by the downtown area, which is becoming as striking architecturally as Atlanta or Chicago. Dozens of skyscrapers face the lake, and many of them are linked

by a subterranean concourse with six miles (9.7 kilometers) of shops, cinemas and restaurants.

It is a city so clean that one of the U.S. film companies shooting in Toronto last year had a garbage crisis. One lunchtime, a city sanitation truck moved down the street where the film was being shot and removed rubbish the production crew had distributed to make the neighborhood look like New York. After an urgent telephone call, the city brought the garbage back.

Above all, Toronto is celebrated for its low rates of crime. Last year, there were 53 murders in the metropolitan area, compared with more than 500 in Detroit, a city 200 miles away with barely half Toronto's population.

The city has survived the social and economic changes that have strained the fabric of big cities elsewhere. "In the 1960s, people predicted that the social harmony here couldn't last," said Peter Tomlinson, the director of economic development for the city. "But here we are 20 years later, still more multi-ethnic than we were then, and there are no signs of the social fabric being torn apart."

The Chinese population has surpassed 200,000, and is growing so rapidly with new immigrants leaving Hong Kong ahead of the Chinese takeover in 1997 that the city is expected to have the largest Chinese community in North America by the early 1990s. According to city estimates, the Chinese invested between \$1 billion and \$2 billion in real estate in Toronto in 1987.

The arrival of Caribbean immigrants has given Toronto the largest black community in Canada. But there has been little racial strife. Nor are there slums of the kind familiar in many big U.S. cities, because a \$200-million-a-year subsidized housing policy avoids concentrating poor tenants in high-rise buildings, or in any one area of the city.

And with unemployment in Toronto below 3 percent, virtually anybody looking for work can find it. "A ghetto is only a ghetto if you can't work your way out of it," said Rosanna Scotti, who until recently ran a metropolitan office for ethnic affairs.

WORLD BRIEFS

Aquino Seeking Aid on Swiss Visit

GENEVA (UPI) — President Corason C. Aquino of the Philippines making only her second trip outside the country since a coup attempt August last year, arrived here Monday to begin a six-day visit in Switzerland and Italy.

She will seek aid for her heavily indebted nation and will also seek speed up the recovery of \$1 billion in embezzled funds that Ferdinand Marcos, the former president, has deposited in Swiss banks. She will speak on Tuesday to the annual meeting of the United Nations' International Labor Organization.

Mrs. Aquino said on leaving Manila that the country would be in good hands during her absence, despite a weekend commando raid on Manila Police headquarters and the threat of more such actions. Near Sagay in the northern Philippines on Sunday, Communist rebels ambushed a troop truck, killing seven soldiers and seriously wounding two others.

No. 2 Rebel Leader Captured in Peru

LIMA (AP) — The second-in-command of Shining Path, the Maoist group that has been waging a guerrilla campaign in Peru for eight years, has been captured. Deputy Interior Minister Agustin Manilla said Monday.

Osman Morote, 42, was arrested by counterinsurgency police Sunday morning at a house in Lima. The capture is considered the most important since the Shining Path started its guerrilla campaign in May 1980. Since then, the violence has claimed more than 10,000 lives and cost the nation \$5 billion in damage to its economy, according to government figures.

Mr. Morote, known by the rebels as "Comrade Remigio," is second in importance only to Abimael Guzman, a former philosophy professor who founded Shining Path in 1970. The group is seeking to overthrow President elected government and install a peasant and worker state patterned after the ideas of Mao Zedong. Mr. Guzman is the ideologist of the organization, but Morote is considered the military strategist who advocates vengeful attacks against peasant communities.

Irish Court Bars Extradition to U.K.

DUBLIN (Reuters) — An Irish court rejected Monday a British request for the extradition of a suspect in bomb attacks in Britain in a first test of extradition rules agreed upon by Britain and Ireland last month.

A district court judge at Port Laoise, 50 miles (80 kilometers) southwest of Dublin, ruled that Patrick McVeigh's identity had not been properly established in the extradition warrants and ordered him freed.

Mr. McVeigh, 37, an Irish Republican Army suspect from Belfast, was served with the warrants for his extradition May 18, the day of his release from the high-security Port Laoise Prison, where he served a sentence for possession of firearms. He was re-arrested immediately on charges linked to possession of explosives in Britain several years ago.

Nigeria Says Waste Is Radioactive

LAGOS (Reuters) — A Nigerian official said Monday that some Italian industrial waste dumped in the country was radioactive, and government spokesman threatened the importers with execution.

Information Minister Tony Momoh said police had arrested 15 people and were interrogating them about the dumping of radioactive and nuclear waste at the small port of Koko. Earlier, the military government's oil spokesman, Duro Onabule, warned that any suspect found guilty of importing the waste might face the firing squad.

Mr. Momoh said that inhabitants near Koko were being evacuated from the area around the depot was sealed off. He said Nigeria had asked Italy to remove the steel drums and containers. Mr. Momoh accused an Italian expatriate, Gianfranco Raffaelli, of forging documents to import the waste between August 1987 and May this year. Mr. Raffaelli is reported to be out of Nigeria.

For the Record

Prime Minister Ciriaco De Mita of Italy left Rome on Monday for the United States, where he is to meet with President Ronald Reagan in Secretary of State George P. Shultz. He was accompanied by Foreign Minister Giulio Andreotti. (AP)

TRAVEL UPDATE

London Hotel Prices up 10% in Year

LONDON (UPI) — Hotel prices in London have risen at more than twice the rate of inflation in the past year, according to a survey.

Average rates were about 10 percent, but a single room in a three-star hotel at Heathrow airport went up by 12.52 percent and a two-star double room in central London rose more than 15 percent, said Expotel, a hotel booking agency.

Some single rooms in London cost more than £200 (\$364) a night, the most expensive in the survey, the Hyatt Carlton Hotel, which charged £216.50 for a single room with breakfast, up 21.5 percent from last year, it said.

U.K., Spain Discuss Perils of Tourism

MADRID (AP) — A British representative discussed with his tourism and government officials Monday the perils vacationers face in Spain and problems caused by British rowdies in Spanish resorts, a British Embassy spokeswoman said.

Tim Eggar, the parliamentary undersecretary of state, met with Jose Lemna, the president of the autonomous region of Valencia, and British residents on the second day of a three-day official visit to Spain, the spokeswoman said.

She said Mr. Eggar discussed rowdy behavior by "a small minority" of the seven million British tourists who spend time in Spain's resorts as well as the dangers posed to the tourists by pickpockets and muggers. "We've got a lot of problems, but it's a two-way street," she said. "The major problem from our point of view is smuggling and the loss of passports."

Correction

A New York Times article that appeared Monday in the International Herald Tribune incorrectly described the House ethics committee investigation of a book written by the U.S. House speaker, Jim Wright. The committee is exploring whether campaign funds were used to pay for publication of the book and whether government resources were used to complete work on the book. The amount of royalties received by Mr. Wright is not a subject of the investigation.

Iran Reports Advances And Heavy Iraqi Losses

The Associated Press

NICOSIA — Iran said Monday that its forces had broken through Iraqi defenses east of the port city of Basra, killing or wounding 4,000 Iraqis. The announcement came nearly three weeks after the Iraqis had driven Iranians from the area.

Iran's Islamic Republic News Agency, in a broadcast monitored in Nicosia, said heavy fighting was under way in the Salameh region, with the Iranians "holding the upper hand" in a two-pronged offensive.

In rebuttal, Iraq said the Iranians had crossed the border in a "reckless assault" at the deserted police posts at Bubiyan and Kut Suwadi, 24 kilometers (15 miles) east of Basra.

An Iraqi military spokesman told reporters in Baghdad that the Iraqi Third Corps had "absorbed the momentum" of the offensive and contained it. The spokesman said fighting was still going on east of Fish Lake, an area flooded by the Iraqis several years ago to block Iranian forces.

There was no independent confirmation of either side's reports. In its account, the Iranian press agency said troops had broken through Iraqi defenses, destroying 30 Soviet-made tanks, inflicting heavy casualties on three infantry brigades, overrunning three artillery battalions and setting ammunition dumps on fire.

The offensive was the first major Iranian operation announced in a strategically important southern sector since May 25.

At that time, Iraqi soldiers pushed the Iranians out of a narrow bridgehead east of the southern port city of Basra in an offensive that apparently caught the Iranians by surprise. The Iraqis had seized marshlands east of Basra, with severe losses, in early 1987 and battled to within six miles of the city before they were blocked by Iraqi defenses.

The loss of the Basra bridgehead was Iran's second battlefield defeat in five weeks. The Iraqis had recaptured the Faw Peninsula south of Basra on April 18, ending two years of Iranian occupation.

The Iraqis, jolted by loss of their two main footholds on Iraqi soil, had been expected to order a retaliatory offensive in an attempt to regain initiative in the Gulf war, now nearly eight years old.

Test Reveals Latency of AIDS Virus

By Michael Specter
Washington Post Service

STOCKHOLM — Using a genetic test that has begun to transform AIDS research, scientists have discovered that the AIDS virus can remain hidden within the human body for more than three years before conventional tests detect it.

The results, reported Monday at the Fourth International Conference on Acquired Immune Deficiency Syndrome, suggest that the virus lies latent far longer than had ever been believed.

In addition, the researchers have used the test to distinguish for the first time between babies who are truly infected with the AIDS virus and those who only appear to be infected because they carry their mother's antibodies.

The results should make it possible to give infants who are infected the earliest possible treatment and allow those who are not to leave the hospital immediately.

"This test will help us learn more about AIDS in one year than we have learned so far," said Dr. Luc Montagnier of the Pasteur Institute in Paris, and a discoverer of the AIDS virus. "It will prove valuable in ways we cannot even foresee."

The test multiplies the DNA in a blood sample so that minute amounts of the AIDS virus can be readily noticed. DNA, or deoxyribonucleic acid, is the molecular substance that encodes genetic data in cells.

The test, called PCR, or polymerase chain reaction, requires enormous sophistication and expertise to use, but AIDS researchers throughout the world have begun to regard it as a basic tool.

As scientists have learned more about the AIDS virus in the past two years, they have come to recognize that it can sit undetected longer than they had first understood. Many of the presentations in Stockholm this week address the long latency of the virus, which makes it difficult for researchers trying to develop potent drug treatments.

The problem arises in part because the virus burrows into macrophages, scavenger cells that store the virus and are difficult to detect.

The study presented Monday, directed by Dr. Steven M. Wolinsky, assistant professor of medicine at Northwestern University Medical School, followed a group of 41 homosexual men at high risk of developing AIDS.

Seven of the men were known from the start to be infected with the Human Immunodeficiency Virus, as the AIDS virus is called. Sixteen tested negative on conventional tests and on the genetic test, and the other 18 started with negative conventional tests but converted to positive during the study.

For the last group, the powerful new test was often able to detect the virus long before any others could. In one case, a man tested positive on the new test 42 months before he tested positive on conventional tests.

Twelve of the 18 men who converted tested positive at least a year and a half earlier than they did on conventional tests.

"This work really proves what several researchers have said all along," said Dr. Cecil Fox, a senior scientist at the U.S. National Institutes of Health. "The virus can remain latent for years in cells that act as reservoirs. The conventional view of infection killing certain immune cells and then killing you is far from complete."

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For those at low risk, PCR tests are unlikely to discover many infections that conventional tests could not find.

Rate of New Cases in U.S.

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COMMINS

Limit 'Auto Culture,' Study Urges

New York Times Service

WASHINGTON — Severe traffic congestion and automobile-related health problems will continue to build internationally unless the use of cars is curtailed, according to a study by the Worldwatch Institute, a United Nations-sponsored group.

With nearly 400 million cars in use worldwide and many developing countries aggressively developing "auto cultures," the study warns of increasing pollution and questions the wisdom of heavy Third World investment in transportation systems that will serve "a small, privileged class with ample purchasing power."

The study recommends that in industrial nations higher taxes be assessed on cars that get low gas mileage and calls for all governments to "discourage auto use where possible" in favor of public transportation.

"Government policies favoring private car ownership by a tiny but affluent elite are squandering scarce resources and distorting development priorities," said Michael Renner, the study's author. "In Haiti, for example, only one out of every 200 people owns a car, yet fully one-third of the country's import budget is devoted to fuel and transport equipment."

An auto industry spokesman

challenged the study's major assertions, saying it was not "a serious piece of research."

"The idea that the globe is being flooded with autos at a rate that is not sustainable is just ludicrous," said Thomas H. Hanna, president of the Motor Vehicle Manufacturers Association in Detroit.

Mr. Hanna added that many Third World nations developing car production capacities were interested primarily in exporting automobiles and the effect of the new industry was to raise the average standard of living.

The study, "Rethinking the Role of the Automobile," is unlikely to generate the same interest as a similar Worldwatch project in 1979, called "The Future of the Automobile in an Oil-Short World." As the present-day study notes, since 1979, surplus oil production has abated fears of international fuel supplies drying up in the near future.

Additionally, fuel efficiency has improved sharply in most cars. In the United States, for instance, the average car now gets 18 miles a gallon (7.6 kilometers a liter), compared with 13 miles a gallon in 1973. New cars are doing even better, with European and Japanese models averaging nearly 30 miles a gallon.

"Things do look good on the

surface," Mr. Renner said. "But the success of the auto may contribute to its own undermining in the end."

Mr. Renner said that as more and more cars crowd the roads, reduced traffic speed, especially in urban centers, is making efficient transportation for large numbers of people difficult. The study indicates that car travel in such big cities as London and Tokyo now takes longer than bicycle travel.

Average car speed in London is as low as eight miles (13 kilometers) an hour, according to Mr. Renner. In Los Angeles, the average car commuter gets no better than 33 miles an hour and that number will drop to 15 miles an hour by the year 2000 if present trends continue, he said.

Air pollution caused by automobiles results in damage to the environment and the health of the population, Mr. Renner said. Research into less-polluting alternative fuels, such as ethanol and hydrogen-based fuel, has slowed since the mid-1970s, when short-term oil supplies were threatened in Western nations, his study says.

A copy of the study can be obtained from the Worldwatch Institute at 1776 Massachusetts Avenue NW, Washington D.C., 20036, for \$4.

Poles Seek Church Aid on Stabilization Measures

By Jackson Diehl
Washington Post Service

WARSAW — In a bid for stability after a wave of damaging strikes, the government of General Wojciech Jaruzelski has stepped up talks with the Roman Catholic Church and has promised Poles new moves toward political liberalization.

During the last several weeks, according to sources, senior Communist Party and government officials have been meeting privately with Polish bishops and lay intellectuals to discuss such potential changes as permission to form a chapter of Poles, the international writers' club, and the creation of labor unions under the church's supervision.

At the same time, government spokesmen have been talking publicly about an "anti-crisis pact" between the party and its opponents to get stalled economic reforms underway.

Party officials say decisions on that issue may come during a two-day meeting of the Central Committee, which began Monday. The meeting is the first since workers at the Lenin Shipyard in Gdansk and elsewhere in Poland struck six weeks ago to protest price increases and to demand the legalization of the independent trade union Solidarity.

[General Jaruzelski opened the Central Committee meeting with a plea for reconciliation and a promise that more independent groups would be made legal. The Associated Press reported from Warsaw.]

"The idea is to create positive conditions for reforms, a certain social mood or social movement to

take full advantage of new economic freedoms that are coming about," said the government spokesman, Jerzy Urban. "You can expect some new concepts and changes leading to greater opportunities for activity by a broader range of groups."

Leaders of Solidarity and even the church officials involved in the talks say they are skeptical that General Jaruzelski is considering more than cosmetic changes. The general, they point out, has frequently hinted at major changes during his seven years in power, only to back down or to settle for half measures.

Still, some observers say the shock of the recent 16-day strike wave and the danger of renewed turmoil may be pushing the leadership toward steps it has rejected in the past, such as partial legalization of the opposition.

"This is Jaruzelski's last chance to turn things around, and I think they realize that," said a church official involved in the talks who asked not to be named. "If they don't take bold steps now we will soon have another eruption, and

one that will be much more dangerous."

Already, officials say, the government has adopted an aggressive course in the aftermath of the strikes, approving legislation that provides for a substantial opening of the economy to private enterprise and foreign investment.

Mr. Urban said in an interview that the new laws, which take effect in January, amount to "a revolution in socialism" because they provide for equal treatment under the law for private and state capital and at the same time abolish many state controls on private enterprise.

A further incentive for the government looms this month in the form of nationwide municipal elections, an event that authorities originally hoped would spotlight a modest decentralization of government power and a loosening of electoral constraints.

Following the strikes, Solidarity has called for a boycott of the vote, threatening the government with an embarrassing new setback if it cannot motivate Poles to turn out in large numbers.

The initiative began with a carefully calculated interview last month of a Politburo member, Jozef Czerw, by Trybuna Ludu. Seizing on a phrase used in a statement last year by Bronislaw Geremek, a Solidarity strategist, Mr. Czerw said the authorities were seeking "an anti-crisis pact" or "a sort of coalition for reforms."

As Poles wondered what the authorities had in mind, Mr. Czerw and other Politburo members met with a group of bishops for a free-ranging discussion on possible changes, sources said. At the same time, the architect of the economic reform program, Deputy Prime Minister Zdzislaw Sadowski, paid a publicized visit to the Polish primate, Cardinal Jozef Glemp.

The talks are a continuation of contacts dating to last year that have touched on possible political reforms as part of an overall consolidation of ties between church and state. General Jaruzelski's government is preparing to grant the church legal status and other privileges. In return, it expects closer cooperation and diplomatic ties with the Vatican.

South African Court Refuses Retrial Of 6 Blacks in 'Necklacing' Killing

By William Claiborne
Washington Post Service

JOHANNESBURG — A South African provincial supreme court refused Monday to reopen the trial of the "Sharpeville Six," five black men and a woman who were sentenced to hang for being part of a mob that lynched a black town council member in 1984 in one of the country's first "necklacing" murders.

The decision means that unless the condemned can win a reversal of the decision by an appeals judge or gain clemency from President Pieter W. Botha, they will be executed under the legal principle of

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REAGAN: Drug Fight Urged

(Continued from Page 1)

In October, the countries are concerned that acrimonious disputes could upset the markets, just at a moment when the world economy looks relatively serene.

And they also say significant new initiatives are likely to have to await the election in November of the next U.S. president.

Of the major issues facing these countries, Mr. Reagan reported to the Human Immunodeficiency Virus, as the AIDS virus is called. Sixteen tested negative on conventional tests and on the genetic test, and the other 18 started with negative conventional tests but converted to positive during the study.

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SHERIDAN MORLEY
IN THE IHT EVERY WEDNESDAY
WITH PERCEPTIVE CRITICISM OF
THE LONDON THEATRE

Handwritten signature: J. J. ...

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Relief Plan for Africa

With the Mitterrand plan, a measure of relief is now in prospect for the poorest of the indebted African countries.

political reasons, lenders found it difficult to agree on a uniform approach.

The Palestinians' Move

Polls now suggest that Israelis, who will vote this fall, favor the hard-line Likud bloc and Prime Minister Yitzhak Shamir.

ian rejection of Israel's legitimacy and permanence. Notably, Mikhail Gorbachev had to remind Mr. Arafat of Israel's valid security concerns and right to exist.

Other Comment

Gorbachev Takes the Lid Off

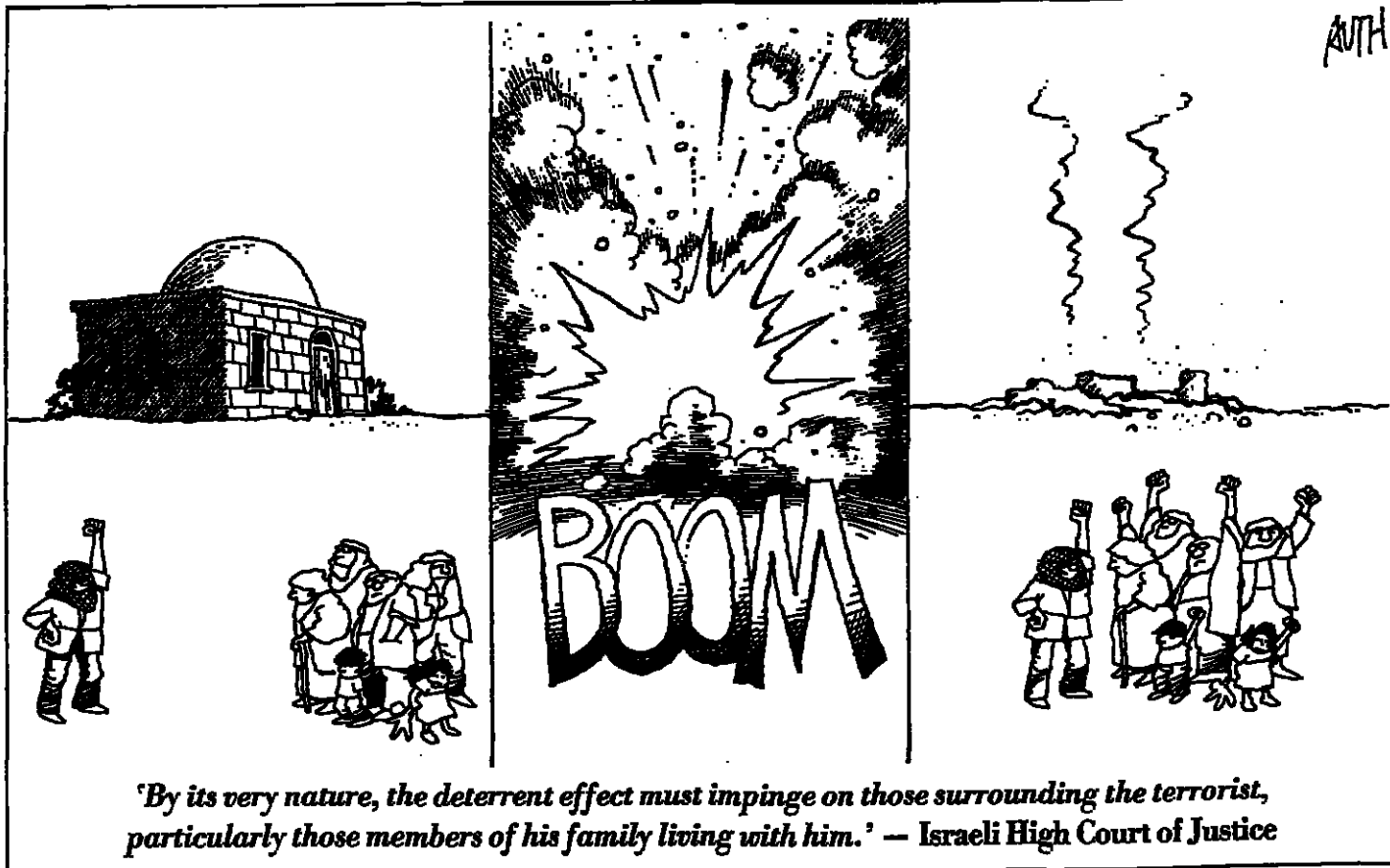
As glasnost stalks the sprawling Soviet land mass with increasing confidence, all manner of chickens have been let loose.

Playing Pyongyang's Game

The desire for reunification is undeniably strong among South Koreans, young and old.

The Spirit of Resistance Lives

The recent three-day strike by two million black South Africans demonstrated that blacks are still capable of making strong political statements.



Dukakis on the Bomb: The Classic American Line

WASHINGTON — A headline on the front page of the Los Angeles Times for May 26 proclaimed, "Dukakis Not Ruling Out First Use."

prevent nuclear war." Pressed to explain "no early first use," he gave a lengthy explanation, my abbreviated version of which follows:

of what the Kissinger remark implies: that "our adversaries" do not believe that any U.S. president would order a nuclear response to a conventional attack on Europe and thus begin an all-but-inevitable escalation toward the ultimate nuclear holocaust.

defense policy — not least because the alternative often is falsely depicted as "nuclear disarmament."

Greece Chokes in Unnecessary Political Pollution

ATHENS — The gifted Greek people have shown little enduring capacity for self-government since the marvelous classical period of the 5th century B.C.

for Constantine Caramanlis as chief of state. The former president, a conservative, remains one of Greece's best known political figures.

ment officials expressed a wish to resign, he insisted that they stay at their posts.

Now a Season of Opportunity for Southern Africa

CAPE TOWN — The prospects have never looked better for peace in Angola and independence for neighboring Namibia.

is seeking independence for Namibia. Numbers of young white South Africans, conscripted into the army to fight in far-off battles in Namibia and Angola, are refusing the draft.

it, for a deal to stick, all warring parties must be able to say that they won — or at least did not lose.

those who had found him, he said: "Please ring up my paper and tell them there is a big story here. I'm sorry I cannot work on it myself. Then he died."

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1978-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

Angola, Too, Has a Major Role to Play

Right or wrong, the settlement of the war in Angola is a precondition for Namibian independence. And Angola cannot be settled by South Africa alone.

100, 75 AND 50 YEARS AGO

1888: British Defense LONDON — A Member of Parliament says: "There is one paramount question underlying all the controversy now raging in this country concerning national defense."

Violence Sta... Vote May... BEA... GUARANTEED LOTTERY... SHANGHAI — The first stage of the Japanese advance on Hanoi...

Handwritten signature or mark at the bottom of the page.

OPINION

An Italian Well Won A Hearing If the Violence Stays Down, Israel's Vote May Be Close

By William Safire

ROME — In the months since the Italian election, the hands of the Italian government have been... The Italian government has been... The Italian government has been...

Sharon is Israel's club in the closet. His supporters use the de Gaulle-Algeria, Nixon-China, Begin-Sinai analogy: "Only Sharon" could make the ultimate deal.

At the moment, the Likud bloc has the edge with these swing voters because the Palestinian issue, or uprising, has scared more Jews into supporting the Likud bloc.

Another reason for the Likud lead is the inclination of Israelis, when leaned upon, to lean the other way. "Every time George Shultz comes through here the Likud bloc wins," says a senior Likud official in the cabinet.

On top of that, most of the younger De Mita voters are on the right. For every articulate dove like Abraham Burg who has entered the lists on the left, there are four attractive and more experienced Likudniks running: Dan Meridor and Ehud Olmert have just been joined by Benny Begin and Bibi Netanyahu on the list of candidates.

Mr. Peres, now foreign minister in a coalition government, has an ace up his sleeve: the desire to see the Israeli embassy in Moscow. The Kremlin's price at the moment is an international tribunal with Israel in front of West German state dock, which Labor appears almost in a position to accept.

Mr. De Mita has also of late been seen in the company of the Italian prime minister, Bettino Craxi. The Kremlin's price at the moment is an international tribunal with Israel in front of West German state dock, which Labor appears almost in a position to accept.



LETTERS TO THE EDITOR

Charges of Soviet Abuses Bring Palestinians to Mind In "Palestinians Languish in a Desert Prison and Wonder Why" (June 4), by Joel Brinkley, Israeli human rights violations are outlined in detail.

How would Americans have reacted if Mr. Gorbachev had criticized our slurs the minute he landed in Washington? RONALD REAGAN'S RECORD ON HUMAN RIGHTS IS THE WORST OF ANY AMERICAN PRESIDENT IN THE LAST HALF CENTURY.

Spain Does Have Problems I enjoyed your series of reports on Spain's progress (May 17, 18, 19) but I must protest the journalistic weakness they revealed.

Mr. Reagan's evaluation of immigration and civil rights abuses in the Soviet Union as being the fault of Soviet bureaucracy is quite accurate. The Soviet Union is still organized around a "war" bureaucracy.

But What About Europe? According to their joint communiqué, Ronald Reagan and Mikhail Gorbachev discussed regional problems in the Middle East, South Africa, East Africa, Central America, Cambodia and Korea.

Mr. Reagan's evaluation of immigration and civil rights abuses in the Soviet Union as being the fault of Soviet bureaucracy is quite accurate. The Soviet Union is still organized around a "war" bureaucracy.

Much Negative Comment We are concerned by the predominantly negative tone of your commentary before, during and after the Moscow summit.

Remember Greek Moslems Fatma I. Pasin mentions the agonies of the Turkish minority in Bulgaria and Turkish Cypriots from 1963 to 1974 (Letters, May 20).

A Few Things Did Happen Between Homer and 1800

By Gautam Adhikari

CAMBRIDGE, Massachusetts — It was one of those rare conversations on television, the kind that makes you long for the day when the medium is no longer obsessed with ratings.

William F. Buckley Jr. and the philosopher Mortimer Adler sparred on "Firing Line" over the state of higher education in America.

MEANWHILE the new Stanford course, elitism, sexism and the problems of cultural relativism figured in the rich dialogue.

For an Easterner and an Indian, the discussion was curiously relevant: In much of Asia, certainly in India, a similar debate has been going on for more than a century.

There are others, myself included, who fear that closing the Western window would eventually lead to a closing of the Indian mind just as it is re-emerging gingerly into the modern world after centuries of confinement.

But then, suddenly, Mr. Buckley and Mr. Adler breezed through a startling assertion. They agreed, as Mr. Buckley said, citing Mr. Adler's writings, that "From Homer to the 19th century no great book has emerged from any non-European source."

In this case, however, the statement would be somewhat trivial, since there was hardly any Western civilization outside of Europe in most of that period.

But Mr. Buckley, who raised the question in the first place, seemed to be making a broader point — that no great books were written outside the West between Homer and the 19th century.

Indians and other non-Westerners look on the matter a bit differently. The "Iliad" and the "Odyssey" have been dated to around 850 B.C.

The "Mahabharata" — which is about eight times the length of the "Iliad" and the "Odyssey" combined, and is a work of extraordinary complexity of theme and subtle content — is said to have existed since 500 B.C.

This is to say nothing about the other Indian epic, the "Ramayana," or the philosophical "Upanishads," which became known in Europe in the 18th century and deeply influenced the thought of Schopenhauer, Carlyle, Emerson and Yeats, among others.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

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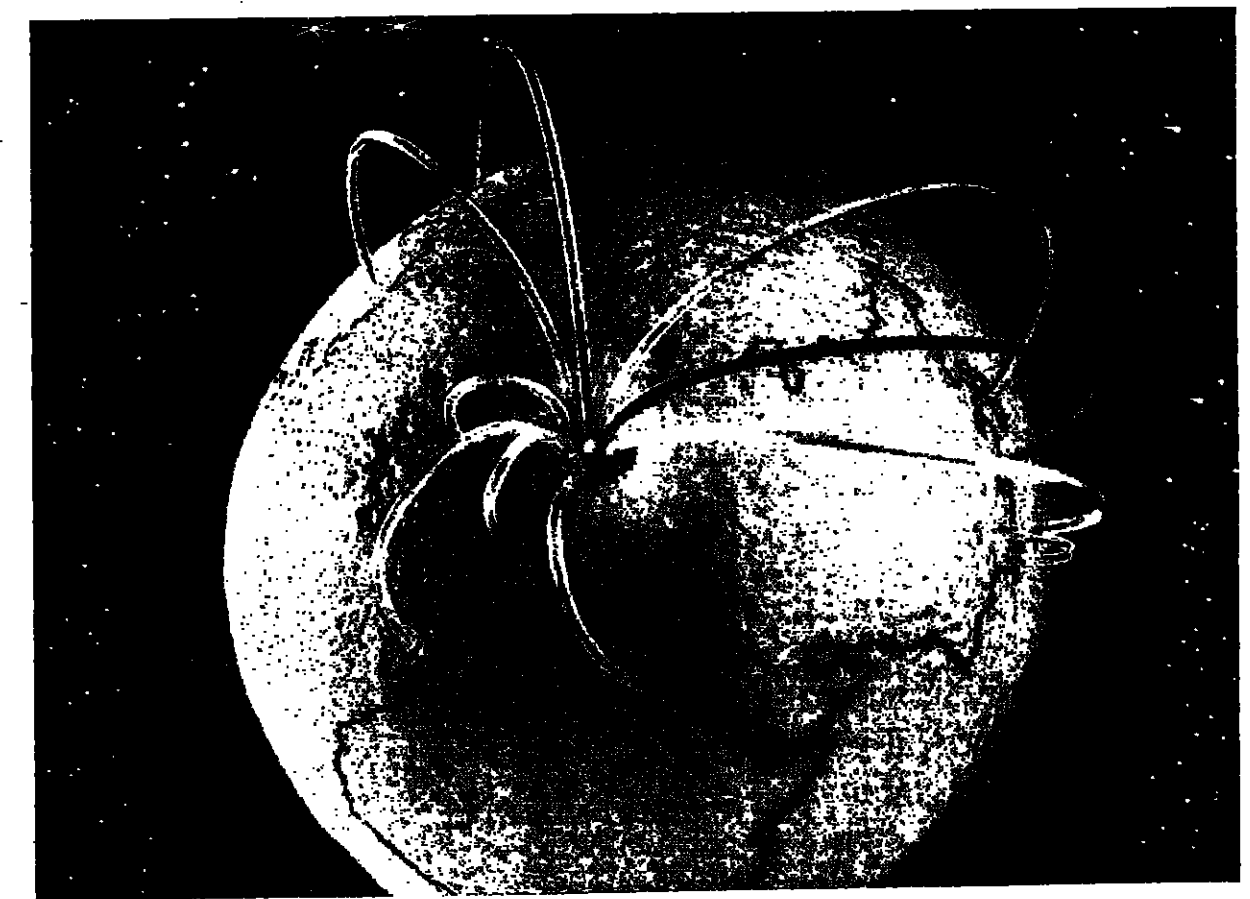
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WIN MILLIONS LIKE THE COUPLE PICTURED BELOW When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$7,000,000.00 in prize money awarded.

PRIZE BREAKDOWN table with columns for PRIZES, NO. OF PRIZES, and PRIZE VALUE. Includes details about the 1st, 2nd, 3rd, 4th, and 5th prizes, and the total prize value.

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A fresh look at flying FINNAIR

50 YEARS AGO... 1938: Japan... SHANGHAI — The Japanese advance on the present seat of the government was complete June 12 when the king, the capital of the nation, fled from the city.

Pinochet, Facing a Challenge, Seeks Ways to Stay in Power

By Shirley Christian
Los Angeles Times Staff Writer

SANTIAGO — Facing a strong electoral challenge to his 15-year-old presidency, General Augusto Pinochet is said by supporters to have begun searching for a strategy to ensure that he remains in power after a coming plebiscite.

General Pinochet's concern stems from recent polls, which show that about one-third of the electorate is undecided or unwilling to indicate how it will vote in the plebiscite. Voters who say they have made up their minds appear about equally divided.

In recent interviews, people close to the president's campaign said a date for the vote, expected to be held sometime between Sept. 11 and Dec. 11, was still being determined to find the best moment from General Pinochet's standpoint.

Leaders of the broad opposition front trying to replace the Chilean leader have repeatedly said that he will be tempted to resort to electoral fraud to retain power. He denies this.

"After having purged and normality throughout the process, we are not going to stain our hands at the very end for some crazy thing," General Pinochet said in a recent speech.

Rather than commit fraud, he said, he could just cancel the election. He said that his opponents were "inventing" the possibility of fraud to get financial assistance from foreign governments and other groups opposed to his leadership.

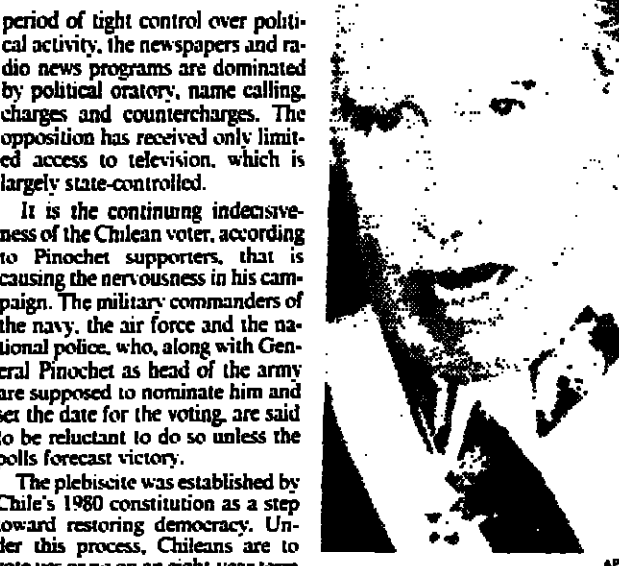
As Chile emerges from a long period of tight control over political activity, the newspapers and radio news programs are dominated by political oratory, name calling, charges and countercharges. The opposition has received only limited access to television, which is largely state-controlled.

It is the continuing independence of the Chilean vote, according to Pinochet supporters, that is causing the nervousness in his campaign. The military commanders of the navy, the air force and the national police, who, along with General Pinochet as head of the army are supposed to nominate him and set the date for the voting, are said to be reluctant to do so unless the polls forecast victory.

The plebiscite was established by Chile's 1980 constitution as a step toward restoring democracy. Under this process, Chileans are to vote yes or no on an eight-year term for president by the candidate nominated by the military leadership. A year later, a congress is to be elected. At the end of the president's term, in 1997, the next president is to be freely elected.

In theory, the military leadership may nominate someone other than the 72-year-old Pinochet, and for the last two years the other commanders have indicated that they would prefer a civilian president during the transition period.

But they also want to avoid an open split within the armed forces, which will probably lead them to how General Pinochet's wishes. The army is large as the navy, air force, and national police combined.



General Augusto Pinochet

London — The deputy prime minister of Saudi Arabia, Prince Abdullah bin Abdul Aziz, arrived here Monday for a five-day official visit. The prince is to meet with Queen Elizabeth II, Prime Minister Margaret Thatcher and Sir Geoffrey Howe, the foreign secretary.

Saudi Starts 5-Day U.K. Visit

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ISRAEL: Aides Urge Use of More Guns to Curb Unrest

(Continued from page 1)

Mahmoud Hussein after he failed to obey an order to halt, the director of Ramallah Hospital, Dr. Yasser Obeid, said in a telephone interview.

Mr. Hussein's family said he did not stop because he was deaf and could not hear the order.

More than 200 Palestinians have been killed since the uprising in the occupied West Bank and Gaza Strip began in December.

During a tour of a factory near Tel Aviv, Mr. Shamir said in a radio interview that Israel would respond to an increase in Arab attacks "swiftly and aggressively."

He said that a firebomb attack Sunday at Tel Aviv's main shopping mall was "more proof" that Arabs "are not just talking about the territories," but that the conflict concerned Israel's survival.

"These are blows against our existence," he said.

Israeli police, meanwhile, arrested three Palestinians suspected of trying to set a fire in a field in a Jerusalem suburb over the weekend, a radio report said.

Mr. Shamir also has said he would introduce legislation to imprison assassins for up to 15 years.

Mr. Awad was accompanied by two policemen up the stairway to the jailhouse bound for New York before other passengers boarded. He waved briefly and appeared to

Daimler-Benz AG To Pay War Fine

(Continued from page 1)

BONN — Daimler-Benz AG has agreed to pay 20 million marks (\$11.5 million) in compensation for employing forced labor during the Nazi era, the West German Red Cross said in a statement.

The organization said the money would go to organizations outside West Germany that care for the victims of forced labor or their dependents.

Daimler-Benz, now West Germany's largest industrial company, has been criticized for the role it played during the Hitler era. Criticism centered on its use during World War II of forced labor drafted from prisoners-of-war and concentration camps, enabling the company to expand production and make large profits.

The police barred reporters from the tarmac at Ben Gurion International Airport and took identification documents from several journalists who ventured near the plane. Armed border patrol guards forced news photographers off the roof of the terminal building.

Last month, Mr. Shamir ordered the deportation of Mr. Awad, 44, despite U.S. objections. The prime minister said on Israel radio Monday that the expulsion "will have a deterrent influence" on other Arabs.

He maintained that Mr. Awad played a leading role in the Palestinian uprising.

The rebellion has adopted some of the methods advocated by Mr. Awad, including use of commercial strikes and boycotts of Israeli products.

In New West, Sun Sets on Bronco Trade

By David Lamb
Los Angeles Times Service

MILES CITY, Montana — From as far away as Texas and Oklahoma they came, old-fashioned men in an old-fashioned business, and darn, they grumbled, finding good bucking stock like Skyrocket or Five Minutes to Midnight is nearly impossible these days.

The 20 or so horse traders had come, as they do every year in May, for Miles City's Bucking Horse Sale, the biggest auction of its kind in the West. It is a time for serious business — more than \$200,000 changed hands, as horses were bought for rodeos and canneries — and for such boisterous, drunk cowboy revelry that the National Guard had to be summoned once in the 1970s to restore order.

Lynn Butler, 83, who was here to buy bucking stock for his nephew's rodeo in Oklahoma, stood by the chutes at the fairgrounds, cheekhook in hand, and watched a young cowboy come hurtling out of the gate on an ornery gelding.

Mr. Butler nodded approvingly. The horse kicked as it jumped, with its powerful back legs extended. This was no "canner" to be sold for 30 cents a pound (450 grams) and served as steak in Europe or Asia.

Mr. Butler's nod had driven up the price to \$500, and in the crowd's next abode, the chutes, the auctioneer sang out: "Anybody give me six, six and a half? Now there's a 'His eyes darted momentarily from buyer to buyer, looking for a nod or an upraised hand." "Sold to Mr. Lynn Butler," he called. "That horse is going to Oklahoma."

With the estimated 17,000 wild horses left in the West now protected by the federal government, rodeo contractors increasingly are forced to search for animals bred to buck, just as handicappers search racing charts for horses bred for speed. An irony of changing times in the West is that the horse, whose stamina helped settle states such as Montana, is now most valued as a performer in urban rodeos, the only American sport born from an industry — cattle ranching.

Bucking is a trait, and since most traits are unpredictable, a trader like Mr. Butler figures he has invested well if six or seven of the 20 horses he buys turn out to be servicable rodeo buckers. Prices range from several thousand dollars for a proven buck down to a few hundred dollars for unnamed non-buckers.

Until a few years ago, Miles City, population 10,000, blocked off Main Street during the auction period and let everyone wander from bar to bar, drinks in hand. It got so rowdy that the town banned open containers on the street, and now the drinking is done inside the Bison Bar and the Log Cabin and Trails Inn. Cowboys stand there, 10 deep, passing cans of beer to friends who cannot reach the bar and talking about taming broncos like war veterans remembering a battle.

Back at the fairgrounds, Ed Grebe, a rancher, was checking on the 67 horses and 23 bulls he had brought in for auction.

You get attached to these damn animals," said Mr. Grebe, who was liquidating his rodeo stock to concentrate on cattle ranching. "But the profit's not there like it used to be and, well, what the heck, we all got to survive."

FRANCE: Voters Opt for Pragmatism, Not Ideology

(Continued from page 1)

are frequently local leaders as well — mayors or regional councilors — and with cantonal and municipal elections on the horizon, many centrist politicians fear that a brusque switch of allegiances in Paris could confront them with accusations of betrayal on the home front.

As a result, an adviser to Mr. Mitterrand predicted that any major realignment of French politics may have to await the outcome of the municipal elections in March. If Mr. Mitterrand confirms Mr. Rocard in his job, as expected, the jaunty prime minister will have the unenviable task of tackling between left and right to secure the passage of legislation and a budget.

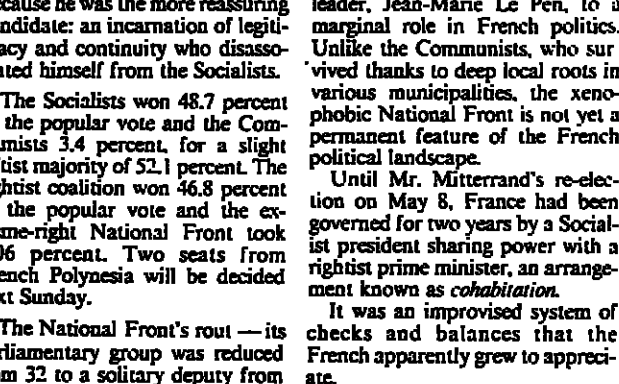
A certain institutional stability will be guaranteed, however, as only an absolute majority of the 577 assembly deputies can topple the prime minister, which is unlikely to happen as long as the Communists are not completely alienated.

Yet, in wooing centrist allies, Mr. Rocard will probably have to make major concessions in his program.

A Socialist majority would have polished Mr. Mitterrand's image but also, paradoxically, complicated his ambition of reaching out to the center. "Even if he lost yesterday, Mitterrand won," contended a politician close to the president. "If the Socialists had won a majority, they would have resisted the president's opening to the center."

The parliamentary vote also confirmed that Mr. Mitterrand's handsomeness in election on May 8, with 54 percent of the popular vote, was not a mandate to steer France on a sharp leftward course. It is widely

France's National Assembly



agreed that Mr. Mitterrand won because he was the more reassuring candidate: an incarnation of legitimacy and continuity who disassociated himself from the Socialists.

The Socialists won 48.7 percent of the popular vote and the Communists 3.4 percent, for a slight leftist majority of 52.1 percent. The rightist coalition won 46.8 percent of the popular vote and the extreme-right National Front took 1.06 percent. Two seats from French Polynesia will be decided next Sunday.

The National Front's rout — its parliamentary group was reduced from 32 to a solitary deputy from

Toulon — relegated its stentorian leader, Jean-Marie Le Pen, to a marginal role in French politics. Unlike the Communists, who survived thanks to deep local roots in various municipalities, the xenophobic National Front is not yet a permanent feature of the French political landscape.

Until Mr. Mitterrand's re-election on May 8, France had been governed for two years by a Socialist president sharing power with a rightist prime minister, an arrangement known as *cohabitation*.

It was an improvised system of checks and balances that the French apparently grew to appreciate.

ETHNIC: New Protests

(Continued from page 1)

Armenian Republic's Supreme Soviet, or legislature.

Yerevan residents said that Mr. Arutyunyan, the Armenian party chief, promised a crowd of 100,000 at Opera Square that the Nagorno-Karabakh question would be the first issue on the legislature's agenda and that he expected "a positive solution."

Armenian protest organizers said last week that about half the 340 members of the republic's legislature, under threat of recall campaigns, had signed statements supporting unification.

The general strike was called to dramatize this demand, and Armenian protesters have declared that the strike will continue until they win the legislature's approval.

A spokesman for Baku radio, reached Monday night by telephone, said the new Azerbaijani party leader, Abdul-Rahman Vezirov, spoke to a crowd of 10,000 in the city center during the day.

The spokesman said Mr. Vezirov had told the crowd that he had met with a senior official in Moscow on the territorial dispute. But the spokesman said he did not know details of the remarks.

According to an official at the Soviet tourist agency in Yerevan, reached Monday by telephone, the general strike has closed almost all businesses, schools and other organizations in the city.

Lev Kamenev and Grigori Zinoviev, Bolshevik colleagues of Lenin who were shot under Stalin after a purge trial in 1936, have been cleared of the crimes for which they were executed, the newspaper Izvestia said Monday.

The sentences of the two and of two others convicted in show trials — Yuri Pyatakov and Karl Radetz — were annulled by the Soviet Supreme Court on Monday morning, the newspaper said.

"It said clearly that before the law, the state and the people, they are not guilty," Izvestia added. "The state which they were creating 50 years ago is giving them back their honor and name."

Luis Neto Kimbamba said that the meeting in Kinshasa between Mr. Savimbi, leader of the National Union for the Total Independence of Angola, and Chester Crocker, the State Department's leading Africa expert, had hampered efforts to end the Angolan war.

Mr. Kimbamba did not say exactly when the meeting took place, but he said the two men met after the May 29-June 2 summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

The summit talks between the two leaders included discussion of Angola.

OSAL: Greek and Turkish Leaders Begin Athens Talks

(Continued from page 1)

Denktaş, next in turn to resume intercommunal talks.

How explosive the Cyprus issue is in Greece was made evident once again by the series of demonstrations that have welled up to protest Mr. Ozal's visit. Posters picturing him as a murderer have appeared, leaflets have attacked him and the one-time pro-Papandreou newspaper Ethnos greeted Mr. Ozal's arrival with a large headline that read "Hail Attila."

Ardent Greek nationalists, Cypriots, leftists of various stripes as well as groups of Armenians and Kurds have denounced the arrival of Mr. Ozal in Greece and organized rallies and demonstrations against him.

The Turks invaded Cyprus after a coup, supported by the Greek military dictatorship of the time, took over the island and threatened to unite it with Greece.

After a large, noisy rally denouncing Turkey and Mr. Ozal over Cyprus on the steps of the capital's neo-classical university, about 4,000 protesters shouting "No talks with murdering Turks" sought to march on the Turkish Embassy. But they were prevented from reaching it by 400 police.

More demonstrations are planned Tuesday, according to opposition sources.

Despite such signs of public dis-

SOVIET: Another First in Moscow

(Continued from page 1)

clearer, somewhat more positive note: "We have big plans. The time will come."

As for inviting Mr. Gorbachev to the Vatican, Cardinal Casaroli said that there were "indirect" means of sending such messages, adding, "My presence at the meeting was a positive thing."

Relations between the Vatican and Kremlin are still strained, and Cardinal Casaroli's letter outlined the Vatican's support of Ukrainian Catholics and for the opening of new seminaries and the election of bishops from the Soviet Union.

A Vatican spokesman said that Mr. Gorbachev read the letter at the meeting but there was not enough time to discuss the issues fully.

A total of 20 high figures in the Roman Catholic Church, including Cardinal Jozef Glemp of Poland

and Cardinal John J. O'Connor of the United States, took part in the millennium celebrations.

The pope did not join other leading clergy at the celebrations, because he said in public statements, the Kremlin would not permit him to visit Lithuania, a largely Catholic republic neighboring Poland.

The Soviet leadership could not allow such a trip, said one Soviet official, because it felt it could "not afford the nationalist passions" that the pope would likely arouse in Lithuania.

The Vatican also objects to the Soviet Union's treatment of the Ukrainian Catholic Church, which was outlawed by Stalin in 1946.

Instead of becoming part of the Russian Orthodox Church as Stalin had ordered, an estimated three to four million members of the Ukrainian Catholic Church remain loyal to the Vatican and practice their Eastern Rite form of Catholicism underground.

The Vatican has arranged to meet with Russian Orthodox leaders in Finland next month to discuss the religious situation.

After Loire Pollution, Water Taps on Again

(Continued from page 1)

TOURS, France — Taps were turned on Monday for the first time in five days for 200,000 people in western France who were left without water after chemical pollution of the River Loire. But officials warned the water was for washing only — drinking water would not be available for several days.

Supplies were cut off Thursday, when water used to extinguish a fire in a chemical plant washed into the river.

A total of 370 persons have been injured in the demonstrations, which are spreading to nearby towns. As on previous days, the worst Monday erupted after thousands of protesters gathered in the center of Srinagar. The crowd shouted slogans condemning the state government and its decision last week to raise residential electricity rates.

Over Cost of Electricity

United Press International

Srinagar, India — At least one person was killed and 100 injured as thousands of rioters, angered by an electricity rate increase, battled police Monday in the northern city of Srinagar, police said. The death toll now is four in four days of protests.

A total of 370 persons have been injured in the demonstrations, which are spreading to nearby towns. As on previous days, the worst Monday erupted after thousands of protesters gathered in the center of Srinagar. The crowd shouted slogans condemning the state government and its decision last week to raise residential electricity rates.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

AT HOME IN PARIS STAY OR LONG TERM

PARIS PROMOS

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INTERNATIONAL CLASSIFIED

(Continued from Back Page)

REAL ESTATE TO RENT/SHARE

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ARTS / LEISURE

New Mexican Play Bitten By the Hand That Fed It

By William A. Orme Jr.

MEXICO CITY — After 12 weeks of rehearsals, Mexico's state-sponsored Experimental Theater Center was excitedly preparing for opening night.

When the play opened a week later, an offending scene no longer warmed the neck of a character whose dress, job and manner recalled a scandal-plagued former district attorney; an editor's sex was changed after complaints that the original female character resembled a prominent capital newspaper chief who is also a ruling party senator.

Ironically, the conflict was resolved through the kind of closed-door compromise that is a hallmark of the system that the play lampoons.

"We agreed to some changes, but nothing that substantially altered the play," Lenero told reporters as he emerged from negotiations with Fine Arts Institute officials.

A key change officials demanded, however, was the elimination of the recorded voice of an unmistakably real person — Carlos Salinas de Gortari, the ruling party candidate in next month's presidential election.

"Maybe we should have asked beforehand for a list of these unnamed people and institutions that deserve our respect," Lenero said. "The play was not to be ironic, not scandalous."

The controversial closing and abrupt reopening gave "Nadie Sabe Nada" an enviable publicity. Lines now form early outside the tiny 90-seat theater. But one of the actors, Ivan Guzman, said the company "could have preferred to get public attention some other way."

The episode was disturbing. "The play was a political statement about the problems with our other productions."

But none of the company's previous plays resembled "Nadie Sabe Nada," veering between a shout-

em-up burlesque and a principled satire of local political mores. It takes aim at bribetaking journalists, bribe-dispensing officials and thuggish federal police agents. Federal apparatchiks are depicted as murderous cocaine abusers, reporters are dim-witted and greedy. Audiences are titillated by the play's profane colloquial language, brazen sexuality and offhand references to topical political issues — all anomalies in mainstream Mexican drama.

Company members say they were testing the limits of artistic freedom in an organization wholly funded by the government. The center's actors and stagehands are staff employees of the Fine Arts Institute, a branch of the Education Secretariat.

Lenero, commissioned by the center to write the play, already had a history of conflict with authorities. His 1984 dramatization of Oscar Lewis' "The Sons of Sanchez" was shut down after official complaints about its "anti Mexican" tone. A more recent work, "The Martyrdom of Morelos," was a debunking look at a War of Independence hero; the 1983 play, "The Rebel," was a scathing attack on the rebel leader as its patron, a symbol of the national university, were suspended following attacks from the Senate majority leader, Miguel Alemán.

By staging a Lenero play about press and politics during election season, the center "was breaking unwritten rules," said Egurola. Yet because the ruling party's presidential campaign officially encourages debate — its slogan is "Let Mexico Speak" — the company thought this provocation would be tolerated, she said.

"They were saying that they wanted Mexico to speak, so we decided to take them at their word."

The ESCADA Corner in Paris SALES Export discount Marie-Martine 8 Rue de Sévres, Paris 8th, 50 Rue St. Honoré, Paris 8th



Sing, left, and George Michael performed at the "Freedomfest" in London for Nelson Mandela.

Rock Bash for Mandela: Flop of Good Intentions

By Peter Watrous

THE all-day rock concert called Freedomfest — Nelson Mandela's 50th Birthday Celebration, which opened at Wembley Stadium outside London with a sold-out audience of 72,000, turned out to be a sorry mixture of good intentions, political censorship and show business.

Six hours of it was broadcast Sunday all over the world, and its potential audience was in the billions. The show's producers estimated that they would earn nearly \$1 million, much of which was to be given to charities.

On television in New York, it opened with a picture of Nelson Mandela, the imprisoned South African leader, then cut to cartoons and African music and a few announcements by the show's hosts, Dennis Miller, Robert Townsend and Paula Yates.

The musical part of the show started with unidentified drummers, a band of unidentified drummers, a band of unidentified drummers, a band of unidentified drummers.

For the most part, the next five hours were divided between rock and pop music, interspersed with celebrity professional rockers and pop stars.

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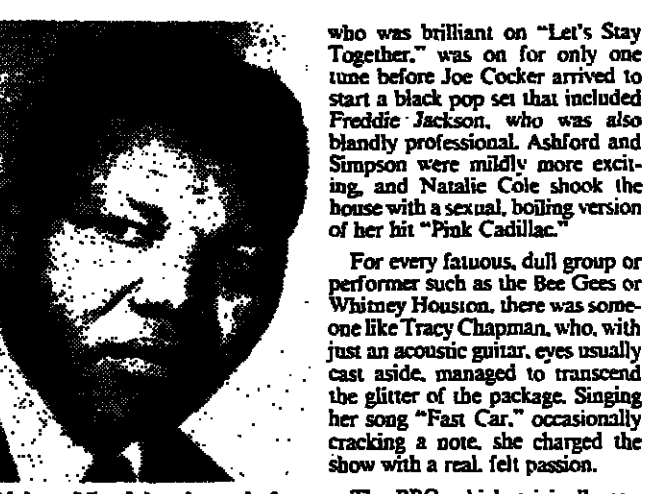
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Nelson Mandela, shown before he was imprisoned in 1964.

genuine emotion. Sing ran through an overlong, lukewarm set, followed by George Michael, dressed in black, who launched into a passionate version of Stevie Wonder's "Village Ghetto Land" that had the place shaking. Whether it was the lack of enough suitable film — the show felt padded — or Michael's riveting performance, he was given a reprise later on in the program.

Eurythmics was blandly professional and featured for several songs too many, while Al Green,

who was brilliant on "Let's Stay Together," was on for only one time before Joe Cocker arrived to start a black pop set that included Freddie Jackson, who was also blandly professional. Ashford and Simpson were mildly more exciting, and Natalie Cole shook the house with a sexual, blinding version of her hit "Pink Cadillac."

For every fatuous, dull group or performer such as the Bee Gees or Whitney Houston, there was someone like Tracy Chapman, who, with just an acoustic guitar, eyes usually cast aside, managed to transcend the glitter of the package. Singing her song "Fast Car," occasionally cracking a note, she charged the show with a real feel.

The BBC, which originally carried the show, had said it intended to cut away when political announcements — including a message said to have been smuggled out of jail from Mandela — were made. This made for a tense, frustrating show. The program worked itself into odd contortions, including an attempt to make the concert seem as apologetic as a birthday party, even if the birthday party was for one of the world's most visible political prisoners. Townsend claimed the concert was the "party of the century."

The situation forced a squishy, uncomfortable happiness



Eurythmics' Dave Stewart and Annie Lennox sang at Wembley.

lives to the struggle, rest in peace." Peter Gabriel, first in the air, sang his ballad "Biko," dedicated to Steve Biko, the black South African activist who died in police custody, to which the crowd responded enthusiastically.

The show ended with the group Dire Straits, together again for the concert and joined by Eric Clapton. Rearing through a set including "Sultans of Swing," the group's hit of almost 10 years ago, it made a case for honest, uncluttered music as a liberating force by itself. Still, the few moments when the artists were specific about South Africa turned show business into something dramatic and galvanizing, and made much of the rest of the program seem like business as usual.

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Then, by government order, "We were dumbfounded," said Julieta Egurola, who had a leading role in the play. "The text had been approved a year ago, we had been rehearsing since March, and suddenly they were saying the production was closed."

The company was informed just hours before the play's first scheduled public performance May 26. "Orders from above" was the explanation from the Fine Arts Institute, the center's sponsor.

A day later the institute issued a terse statement saying the production's "quality left a lot to be desired." The play also contained "references in questionable taste to persons and institutions that deserve our consideration and respect," the statement added.

Protests from writers, artists and the president of the Mexican Academy of Human Rights embarrassed the government into reversing its directive — but not before the director and author agreed to excise a few sardonic details.

DOONESBURY



THE NEWS IS STAGGERING... COLD WAR OVER WE WON... THOUSANDS OF JUBILANT CAPITALISTS POURED INTO TIMES SQUARE... HELLO, EVERYBODY! I'M ROLAND... AND HERE COMES THE WALL STREET JOURNAL... THAT'S RIGHT, ROLL AND! BOOPSE! THERE'S MALLORCA FORBES!

Table: NYSE Most Actives. Columns: Val, High, Low, Last, Chg. Lists top active stocks like AIG, AIGP, AIGS, etc.

Table: Market Sales. Columns: NYSE 4 p.m. volume, Amex 4 p.m. volume, OTC 4 p.m. volume, etc.

Table: NYSE Index. Columns: High, Low, Close, Chg. Shows index values for Composite, Industrials, etc.

Table: Monday's NYSE Closing. Text: Via The Associated Press. Shows closing values for various indices.

Table: AMEX Diary. Columns: Close, Prev. Lists AMEX stock prices.

Table: NASDAQ Index. Columns: Close, Chg, West, Year, App. Shows NASDAQ index performance.

Table: AMEX Most Actives. Columns: Val, High, Low, Last, Chg. Lists top active AMEX stocks.

Table: Dow Jones Bond Averages. Columns: Bonds, Utilities, Total, New Issues, New Highs.

Table: NYSE Diary. Columns: Close, Prev. Lists NYSE stock prices.

Table: Odd-Lot Trading in N.Y. Columns: Buy, Sell, '5171. Shows odd-lot trading data.

Table: Dow Jones Averages. Columns: Open, High, Low, Last, Chg. Shows Dow Jones index values.

Table: Standard & Poor's Index. Columns: High, Low, Close, Chg. Shows S&P index values.

Table: NASDAQ Diary. Columns: Close, Prev. Lists NASDAQ stock prices.

Table: AMEX Stock Index. Columns: High, Low, Close, Chg. Shows AMEX stock index values.

NYSE Ends Narrowly Mixed

NEW YORK — Prices on the New York Stock Exchange ended narrowly mixed Monday in uneventful trading as market participants awaited the April report on the U.S. merchandise trade deficit set for release Tuesday.

The Dow Jones industrial average, which rose 30.41 points last week, fell 2.31 to close at 2,099.40. After recovering from a 10-point deficit suffered on profit-taking in the first hour, the index traded within a handful of points from the previous close for the entire session.

Advances, however, edged declines by a 7-6 ratio. Volume slowed to 125.31 million from the 155.71 million traded Friday.

"It was a day highlighted by the lack of interest," said Ernie Rudnet, the manager of block trading for Mabon, Nugent & Co. "Buyers were just sitting around waiting for the trade number."

Mr. Rudnet said if the trade figures turned out to be a "nonevent" — falling in line with market expectations or even coming in on the low side of forecasts — the market could push the Dow through the post-collapse closing high of 2,110.08, set April 12, by the end of the week.

"After that, it's uncharted waters," Mr. Rudnet said. "But the market is going higher. Institutions will enter the market as the end of the quarter nears."

Broad-market indexes posted modest gains. The NYSE composite index rose 0.13 to 153.02. Standard & Poor's 500-stock index added 0.17 to 271.43. The price of an average share gained 2 cents.

Al Goldman, a market strategist with A.G. Edwards & Sons in St. Louis, said the slowdown reflected the standard move to the sidelines ahead of the trade data.

"This is our monthly happening and comes at a time when the market has rallied about 150 points over the past two weeks," Mr. Goldman said. "With the market technically overbought, this is a natural time to pause, reflect and take some profits."

Mr. Goldman said that Wall Street expected a trade deficit of around \$12.5 billion, up from the \$9.7 billion shortfall in March.

"The number would have to be much worse or much better to have any impact," he said. "If it's in line with forecasts, it should be a non-event."

Mr. Goldman said the key to the market's short-term outlook was the bond market, "which continues to maintain a firm posture and positive momentum."

A stronger bond market helps stocks in two ways, Mr. Goldman said. "As interest rates come down, this reduces the competitive factor of bonds vs. stocks. And the interest-rate relief makes market participants more comfortable about the outlook for inflation."

McDermott International was the most active issue, down 1% to 204.

Texasco followed, down 1% to 50 1/2. In a deposition taken Sunday, Carl Icahn disclosed he had encountered some problems in his attempt to finance a bid for the oil company.

Prudential Intermediate Income Funding was third, unchanged at 10.

12 Month High Low Stock Div. Yld. PE 52 High Low Close Chg.

Large table of stock market data including 12-month high/low, dividends, yields, P/E ratios, and price changes for various stocks.

(Continued on next page)

كندا

DRB Japan's largest bank... DAI-ICHI KANGYO BANK

DKB INTERNATIONAL LIMITED... Professional merchant banking in London.

INTERNATIONAL STOCK MARKETS

Winds of Change Blowing Only Fitfully in Toronto

By MICHAEL BABAD Special to the Herald Tribune

TORONTO—It has been a year of change and conflict on the Toronto Stock Exchange, Canada's primary capital market, with a radical restructuring of the securities industry, firings of key exchange employees and the resignation of a top gun who allegedly misrepresented his academic background.

At the heart of the dispute is the exchange's president, Pearce Bunting, who is butting heads with the recently formed Professional Traders Association. He says he believes in computerized trading systems and feels that Canada's largest exchange cannot maintain the status quo.

The aim is to make the transition from a national to a global exchange.

"It's no good us being the same as our competitors. We have to be better," said Mr. Bunting, 58. He said that his exchange accounts for about 76 percent of trading in Canada and 42 percent of trading in interlisted Canadian stocks in North America.

"What we're trying to do is to make a transition from a national to a global exchange," he said. "We want to ensure that we remain the place where Canadian stocks are predominantly traded."

"If we just stay where we are," he added, "inevitably our stocks will drift off to New York."

Toronto, among the top seven stock exchanges in the world, is studying two new trading systems. Officials will choose one next year and spend up to 20 million Canadian dollars (\$16.4 million) putting it into operation.

Another problem involves Terry Popowich, a vice president and protégé of Mr. Bunting who early this year was dismissed 20 workers, many of them senior employees, before he was accused of lying about his academic background on his resume. He eventually resigned. Mr. Christie says that the employees who were dismissed "were dedicated to the floor, to combining a good system of integrating technology with the old system of face-to-face auction."

John Bart, a professor of finance at the University of Windsor, Ontario, shares Mr. Bunting's view that the exchange must either advance technologically or wither.

"If Canada's premier capital market doesn't keep pace and lead the way, then there's a very real chance it could be left behind," said Mr. Bart, who heads a 3,600-member association of individual investors.

Andrew Knievasser, president of the Investment Dealers Association of Canada, whose membership has grown to 86 from 65 about a year ago, said that his group was confident that the exchange will find the right mix between computer and face-to-face trading.

The exchange's 300-stock composite index hit a record closing high on Aug. 13 of 4,112.86. The ensuing collapse wiped out many gains, with the index losing a record 400.37 points or about 11 percent on Oct. 19 to end at 3,198.21. It is still recovering, and closed Friday at 3,379.94, up 1.75 points.

Last year, Toronto was the second-ranking stock exchange in North America, behind New York.

See TORONTO, Page 11

MD-80s Ordered By SAS

\$1.5 Billion Deal With McDonnell

By Juris Kaza Special to the Herald Tribune

STOCKHOLM—As expected, Scandinavian Airlines System placed orders Monday with McDonnell Douglas Corp. for 61 MD-80 jetliners to replace its fleet of DC-9s on domestic and European routes in a deal potentially worth \$1.5 billion.

It was the single largest order for MD-80s outside the United States and the second-largest order for the short-haul plane to date, according to the president of the subsidiary Douglas Aircraft Corp., James E. Wortham, who was in Stockholm for the signing of the order.

The order consists of 24 firm orders for jets to be delivered through 1992, and 37 "conditional firm orders" for a newer series of aircraft still under development.

Ulf Abrahamsson, vice president for fleet planning for the Scandinavian airline, said the options would allow SAS to convert the order for the remaining 37 aircraft to the MD-91 or MD-92 prop-fan planes, which McDonnell Douglas is developing for the 1990s. Those jets are expected to offer substantial fuel savings.

McDonnell Douglas officials said the MD-90 series would have counter-rotating external propellers on each engine pod. They said the engines would cut fuel consumption by 40 percent over conventional turbofan jets. Mr. Abrahamsson noted that the prop-fans made the planes more expensive.

SAS already flies 20 MD-80s and has a further 17 on order, bringing the eventual size of its MD-80 fleet to 98 planes. SAS officials insist.

See SAS, Page 11

Weak Dollar Strengthens U.S. Steel

Sharp Rise Seen For Exports This Year And Next

By Jonathan P. Hicks New York Times Service

NEW YORK—Several U.S. steelmakers, anticipating continued weakness in the dollar and a tightening supply of steel, are moving to increase exports to the highest levels in years.

USX Corp., the nation's largest steel producer, has reopened its long-dormant export subsidiary, United States Steel International Inc. The company also said it planned to increase exports to 10 percent of its shipments within two years.

The company now ships less than 1 percent of its steel overseas. Armco Inc. has plans to double its exports, which currently amount to 5 percent of total shipments, within two years.

Analysts disagree on how much exports will rise from 1.1 million tons (1 million metric tons) last year, which was the highest level since 1983. But they agree that the increases will be sharp this year and next.

Some have predicted that exports will exceed 2 million tons this year while others suggest that aggressive sales will push that figure to more than 4 million tons by next year, or about 5 percent of the total output estimated for 1989. Exports already have climbed by more than 30 percent in the first quarter to 303,000 tons, from a year earlier.

To be sure, steel exports continue to account for a low percentage of total steel shipments. Even the highest level of exports predicted by analysts is far lower than the peak of 7.1 million tons in 1970.

The level of steel exports has continued to shrink since 1980, when exports were at 4.1 million tons because of the increased production by foreign companies. Since then, American steel companies have ceded the export market while seeking to preserve domestic business.

Steel executives say their renewed interest in exports stems from a belief that the dollar will remain relatively weak for some time, reducing prices in other currencies, and that foreign customers will increasingly see U.S. steel as competitive. They also contend that by developing exports, production can be redirected overseas if a future recession occurs.

See STEEL, Page 11

Saudis Reported To Oppose Cuts In OPEC Quotas

By Youssef M. Ibrahim New York Times Service

VIENNA—Oil ministers of the Organization of Petroleum Exporting Countries consulted privately Monday after suspending their weekend meeting, but there appeared to be little chance that they would reach any substantive solution to sagging world prices.

Arab officials who spoke on the condition that they not be identified said that Saudi Arabia had opposed any suggestion that OPEC reduce its production again. The Saudis insisted that each member of OPEC must first attempt to adhere to the output quotas allocated to the cartel's 13 member countries in December.

The United Arab Emirates oil minister, Mansour bin Zayed, withdrew Sunday from the conference, saying that his country would no longer abide by its OPEC quota of about one million barrels a day. The United Arab Emirates thereby joined Iraq in exempting itself from production restraints—a move that is largely expected to encourage other members to follow suit over the next few months.

Oil prices plummeted by up to 50 cents a barrel on world markets Monday as traders reacted to the lack of consensus in OPEC on measures to stabilize the market and reduce a glut in world supplies.

On the New York Mercantile Exchange, West Texas Intermediate—the benchmark U.S. crude—for immediate delivery—dropped 30 cents to \$16.43 a barrel. Britain's North Sea Brent, the world's most widely traded crude oil, lost 41 cents to \$15.50 a barrel on the European spot market.

OPEC is to formally resume its meeting Tuesday. Several oil ministers, speaking privately, agreed that the best the cartel could do would be to renew the existing, largely cosmetic agreement on production and pricing. The pact is being violated by several members of the cartel in addition to Iraq and the United Arab Emirates, including Iran, Ecuador, Kuwait and Venezuela.

Under this accord, which will be extended until through the third quarter of this year at least, OPEC is supposed to limit its production of oil to 15.06 million barrels a day. But the cartel is, in fact, pumping at least an additional two million barrels of oil a day, which are supposed to be pegged to a target of \$18 a barrel, are substantially below that level as discounts.

A majority of eight OPEC members, led by Venezuela, Iran, Algeria and Nigeria, think the only way to remedy the situation is to cut total output to firm up these oil prices.

But a minority of five members, led by Saudi Arabia and Kuwait with the participation of Iraq, the United Arab Emirates and Qatar, reject this proposition as an ineffective and largely unenforceable solution and are opposed to any further cuts in OPEC output, now or in the future.

"The fact of the matter is that OPEC has reached the bottom in terms of cutting production. Economically, politically, and realistically we can cut no more," said an Arab delegate who asked not to be identified.

In addition, many of the minority members of OPEC feel the only real solution to the cartel's problem is to formally resume its meeting Tuesday. Several oil ministers, speaking privately, agreed that the best the cartel could do would be to renew the existing, largely cosmetic agreement on production and pricing. The pact is being violated by several members of the cartel in addition to Iraq and the United Arab Emirates, including Iran, Ecuador, Kuwait and Venezuela.

See OPEC, Page 13

Currency Rates

Table with columns for Currency, Par \$, and June 13 rates for various international currencies.

Interest Rates

Table showing interest rates for various currencies and terms, including Eurocurrency deposits.

Key Money Rates

Table showing key money rates for different currencies and terms.

U.S. Money Market Funds

Table showing U.S. money market funds and their yields.

Cold

Table showing gold prices in various currencies.

Splintered Policy Could Provoke a Market Upset, BIS Warns

By Carl Gewirtz International Herald Tribune

BASEL, Switzerland—Concerned about the fragility of world financial markets since October's turmoil, the Bank for International Settlements warned Monday that "serious market upsets" could damage the world economy unless governments show unanimity in stabilizing exchange rates and reducing trade imbalances.

The October crisis demonstrated that the "tolerance margins for policy slippages, in decision and disagreements have become narrower," the BIS, the clearinghouse for the world's central banks, said in a report. "Failures in the field of policy coordination and joint exchange-rate management can quickly lead to serious market upsets."

The situation calls for enhanced coordination, not only on monetary policy but on tax and spending policies, the BIS said. Joint action is vital both to speeding up the reduction in current-account imbalances and taking the potentially inflationary strain off monetary policy, it said.

The advice is not much different from last year's report, which warned that failure by major industrial nations to harmonize policies could lead to a disruption in Washington's ability to finance its deficit. That, the BIS said, could result in even bigger problems for all countries.

A principal concern of the BIS is how the United States will finance the deficit in its current account, the widest measure of trade, in the foreseeable future.

Trade imbalances "have by now clearly passed their peaks," the BIS said, with the current-account deficit projected to decline to \$150 billion this year from \$161 billion in 1987. But it warned that the U.S. deficit will "remain substantial for years to come."

"Policies will have to be devised to minimize the risk that the realization of this fact will trigger shocks," it said. "The historically very large size" of the expected deficit "raises doubts" about whether the rest of the world will willingly go on adding to the amount of dollars they already hold.

The question is whether this takes place smoothly, with foreign investors buying dollar securities, or whether, as last year, foreign central banks will be called upon to finance the deficit through intervention in the foreign exchange markets.

There are limits to intervention, as it distorts domestic money supply growth. Nevertheless, the BIS estimated that foreign central banks last year financed more than 60 percent of the U.S. current-account deficit.

The group refused suggestions that private investors, who had provided all of the financing of the U.S. current-account deficit from 1983 to 1985 and about 75 percent in 1986, are anywhere near being saturated with dollars in their portfolios.

"The share of claims on the United States in total financial assets held by the enterprise sector in the industrial countries rose considerably," it said, "but on the whole remained rather modest, amounting to perhaps little more than 2.5 percent at the end of 1986."

While officials remain concerned about the disruption that could be caused if investors, ever less confident in the dollar and decide to dump their holdings, the more immediate challenge is to encourage them to go on adding to their dollar investments.

"Give owners of financial wealth good reasons to believe that the authorities remain fully committed to the stabilization of the dollar, and that credible policies are being pursued that will lead to a gradual, even if slow, reduction of the payments imbalances, and they will be quite willing to diversify their portfolios further in favor of claims on the United States," the report stated.

The general manager of the BIS, Alexandre Lamfalussy, said that reduction of payments imbalances would require further

Bank Response To Saudi Issue Hard to Gauge

By Youssef M. Ibrahim New York Times Service

BAHRAIN—Saudi Arabia allotted its first major issue of government bonds in 25 years Monday after the kingdom's banks bid for 1.5 billion riyals (\$400 million) of securities.

Bankers said some small- and medium-sized banks received all the bonds they bid for, but that it was impossible to say whether the issue had been fully subscribed.

Saudi Arabia invited offers Saturday for one- to five-year "development bonds" in the kingdom's first major borrowing since the early 1960s.

The yields on the bonds were linked to the cash flow of some projects so the issue would not violate an Islamic ban on interest payments.

The bonds are the first in a series of borrowings designed to offset weak oil income.

The BIS estimated that about one-quarter of the expansion resulted from the rise in the dollar value of reserve assets held in other currencies.

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Thinking of investing?... THE MOST IMPORTANT investment you can make is probably not in the stock market, it's in yourself. Indeed, like many other executives who have reached the higher echelons, you may find that your personal and professional evolution no longer measures up to your expectations.

Clears Way for Trade With... (Text partially obscured by other content)

Herald Tribune... Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

BUSINESS ROUNDUP

Icahn Says Kravis May Target Texaco

By Our Staff From Despatches
AUNT KISCO, New York — Investor Carl C. Icahn said today that Kohlberg Kravis & Co. had informed him of its \$60-per-share offer for Texaco Inc. is put to a shareholder...

Mr. Icahn said he told Mr. Kravis. Mr. Icahn said he did not want to enter a bidding war with Kohlberg Kravis, which holds about 49 percent of Texaco. Mr. Icahn owns 14.8 percent of the oil company. Texaco closed on the New York Stock Exchange at \$50.25 a share, down \$1.625.

Deutsche Esso's Profit Skids by 77% to 62.5 Million DM

HAMBURG — Deutsche Esso, a wholly owned West German subsidiary of Exxon Corp., said today that its net profit plunged 77 percent to 62.5 million Deutsche marks (\$36.5 million) in 1987 because of falling prices for natural gas and oil.

Mr. Kohlberg said Esso will invest up to 300 million DM over two years in its two refineries to halt the sector's high losses. He said that five independent profit centers would be created to cut costs in the marketing sector. Esso AG also will reduce its work force by 300 people, to 2,000, by the end of 1989.

Daishowa Buys Reed Interest in Canadian Mill

LONDON — Reed International PLC, the British publishing and paper group, has agreed to sell its North American Paper Group for 631 million Canadian dollars (\$517.4 million) to a Canadian subsidiary of Daishowa Paper Manufacturing Co. Ltd.

U.S. Court Allows Banks To Deal in Some Securities

WASHINGTON — The U.S. Supreme Court on Monday allowed banks to use subsidiaries to underwrite and deal in certain securities that had been restricted. The court, over two dissenting votes, let stand a ruling that such activity does not violate a 1933 law aimed primarily at protecting the financial stability of banks.

Save 40% or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune. The longer you subscribe the more you save. We'll give you 13 extra issues for each three months you subscribe. That's 26 extra issues for six months — or — 52 extra issues for a twelve-month subscription. Total savings: Up to 40% or more in most European countries.

Flick: West German Banks Block Bid for Feldmühle

(Continued from Page 1) The other hand, are not at all in favor of the idea. They are being quite common in France. West German banks have tried to influence over the nation's corporate sector, with board members from three largest commercial banks — Deutsche Bank, Dresdner Bank AG and Commerzbank AG — sitting on the supervisory and management boards of nearly every major company.

The activity Monday was in sharp contrast to the behind-the-scenes maneuvering at Daimler or the internal struggle for control of the Springer publishing empire earlier this year. "The Flicks had no real alternative to making a tender offer; they had to have shares, and they needed them fast because of the shareholders meeting on July 12," said Ulrich Rammler, an economist for Commerzbank.

CBS Chief Tries to Ease Alarm on Ratings

By Richard W. Stevenson New York Times Staff Writer LOS ANGELES — Faced with dissatisfaction among 200 affiliates, CBS Inc. has attempted to convince local stations that a plan exists to lift the network out of third place in the U.S. television ratings.

TORONTO: Change Seems Fitful

(Continued from first finance page) North America on the basis of share trading volume, after the New York Stock Exchange, and third on the basis of dollar value traded, after the American Stock Exchange. Volume of shares traded almost 51 percent from 1986 to 7.4 billion shares as dollar value for the year increased more than 57 percent to 100.2 billion dollars.

Manufacturers' Profit Margins At 6% in U.S.

WASHINGTON — The profit margins of U.S. manufacturing companies widened in the first quarter to 6 percent of sales from 4.2 percent in the fourth quarter of 1987 and 4.4 percent a year earlier, the government said Monday.

STEEL: U.S. Exporters Aim for Highest Levels in Years

(Continued from first finance page) So far, U.S. steelmakers have been setting up sales offices overseas and meeting with potential customers, particularly in Europe and Latin America. "Since the dollar weakened, we've expanded the number of people in our international sales operation by 20 percent," said Charles A. Stitt, vice president of Armco's advanced materials subsidiary. "We believe that the weaker dollar will allow us to increase our exports significantly."

VW South Africa Unit To Lift Plant Investment

JOHANNESBURG — Volkswagen South Africa said Monday that it would invest 40 million rand (\$18 million) at its South African plant to make it more self-sufficient and to "drastically reduce" its need to import equipment.

SAS: \$1.5 Billion Order for MD-80s

(Continued from first finance page) However, that they were leaving their options open on future aircraft selection. Jan Carlzon, president of SAS, said he was disappointed with Boeing's decision to halt development of a new aircraft it called the 777. Mr. Carlzon strongly hinted that this aircraft would have been SAS's first choice for replacing its DC-9s. "If Boeing comes with a competitive offer, we will reconsider," he said.

Analysis says the ownership structure was a hindrance to effective financing of SAS initiatives. The little-known holding company shares are generally underpriced compared with those of European airlines whose shares trade directly. The MD-80s, to be delivered between 1990 and 1995, will be powered by United Technologies Corp.'s Pratt & Whitney engines. The MD-80 purchase is the third large order from SAS in five months. In January, it ordered nine Boeing 767s for its intercontinental fleet, with an option on a further 15. It has also ordered 20 Fokker-50s for short-haul flights.

NOTICE OF INVITATION TO TENDER FOR ENHANCEMENT OF INTERNATIONAL SERVICES FOR EMPRESA PUBLICA DE TELECOMUNICACOES (EPTEL) OF THE REPUBLIC OF ANGOLA. The project is for the enhancement of the International Telecommunications Service and is to be funded by the African Development Bank. Tenders are invited internationally for the following lots: 1. A Stored Program Controlled Digital International Telephone Exchange. 2. A Stored Program Controlled Digital International Tele. Exchange (with associated Packet Switching and Data Communications Equipment). 3. Enhancement of a Standard X Earth Station. 4. A Microwave Route with associated Transmission Equipment.

GLOBAL FINANCE October 3, 1988. A Special Editorial Report From the Editors of Business Week. This timely editorial report on the critical trends in international finance will be published as top officials head for the IMF meeting in West Berlin during the week of September 24. Business Week's focused, analytical coverage provides readers with the kind of broad-based financial journalism they simply can't get anywhere else. BONUS CIRCULATION Business Week's International Edition will be distributed to all delegates attending the IMF meeting. This timely special editorial report will be required reading for everyone involved in today's global financial marketplace.

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CURRENCY MARKETS

Dollar Advances in Narrow Trading

NEW YORK — The dollar ended slightly higher Monday in quiet trading on world markets...

London Dollar Rates table with columns for currency, rate, and change.

Friday to 5,8265 French francs from 5,8085. The pound eased to \$1,8170 from \$1,8175...

New York, the dollar closed at 25 Deutsche marks, up from 25 at Friday's close...

Traders also avoided taking positions ahead of the U.S. trade report. The British pound was lower against the dollar...

Some dealers said the pound's setback in the afternoon made it appear less likely to gain support if the dollar were to fall...

Institutes See Lower Dollar

TOKYO — The dollar will fall further unless major nations change economic policies to foster a faster reduction in world trade imbalances...

EC Agrees on Free Capital Movement

LUXEMBOURG — The European Community reached agreement Monday on a plan to allow free circulation of capital throughout the 12-nation bloc...

Analysts, noting the already wide differences in the EC about harmonizing indirect taxation in the end, Mr. Lawson said...

French Vote, Stock Scandal Weaken Bourse and Franc

PARIS — French financial markets, which last week seemed set to extend recent gains, now face threats from an inconclusive general election and a possible stock market scandal.

Mr. Mitterrand will try to secure Communist support to form a new government. This raises fears of a return to the early years of Mr. Mitterrand's first term...

On Friday, the French stockbrokers' association said it posted a loss of about 500 million francs (\$86.15 million) after the October stock market collapse...

Monday's OTC Prices advertisement with logo and text.

Monday's OTC Prices table listing various stocks and their prices.

Table A: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

Table B: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

Table C: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

Table D: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

Table E: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

Table F: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

Monday's AMEX Closing advertisement with logo and text.

Table G: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. Chg. listing various stocks.

SPORTS

Johnson Is Magic, Lakers Win Easily

By Anthony Cotton

WHLINGTON Post Service

PONTIAC, Michigan — The Lakers were as close to perfect as Magic Johnson could have expected.

For starters, he was playing little more than a jump shot from his normal position, and his pass was part of a crowd of 39,188.

NBA FINALS: GAME 3

The Silverdome for Game 3 of the National Basketball Association Finals between the Los Angeles Lakers and the Detroit Pistons.

And when the Pistons decided they could play run-and-shoot basketball with the defending champion Lakers, they were in for a surprise.

Los Angeles shot 51 percent from the field — the first time in their last two playoff games that the Pistons owned a team to make more than 100 shots.

Every Laker started in double figures, led by Magic Johnson with 24 points and C. Green with 21. Isiah Thomas and Detroit with 28.

"They didn't try to run at all in Game 3, but I knew they would here," Johnson said. "Throughout the playoffs they've been running more than home on the road. But that's a good thing when we start the game by hitting our shots, I said, 'Well, O.K.'"

The Lakers made their first six shots, but it wasn't until the second quarter that they took control. They scored the first eight points of the quarter, shot 64 percent for period and opened a 78-64 lead.

Detroit would get no closer than 10 in the last quarter and was viciously spent, emotionally and physically, at the end. Coach Chuck Daly was whistled for a pair of technical fouls and ejected, and center Lamar Butler committed a technical foul while the Pistons had the ball.

"This was the first time that I've really been beat," said Laker Johnson. "We have to realize that they beat us, not just that we can't beat them."

It's hard to imagine anyone over-taking a team that includes Johnson, who led his team to the Michigan high school championship his senior year, the NCAA title at Michigan State in his sophomore season and is seeking to take Los Angeles to its fifth title in nine professional seasons in the NBA. "Being at home does make it

extra special," he said, "but I have to keep it in perspective. If I get caught up in being back here, I won't get to play my game."

In the first two games, that was something he didn't do. Part of the reason was Detroit's refusal to run. Another was its defense, which shadowed and bumped Johnson whenever he dribbled up the floor.

There were times when he couldn't escape that in Game 3, especially when Dennis Rodman was in the game. The Pistons swingman prides himself on his quickness, but on Sunday he was often reduced to reaching out and bearing-hugging Johnson.

But only when Johnson was slowed down long enough to be caught. Early in the second period, he had taken only one shot but was still the game's dominant player.

That became obvious the last 10 minutes of the half. First, he assisted on three of four baskets, then racked up seven straight points himself. One basket came when he rebounded, dribbled the length of the court and made a running hook shot in traffic.

"The transition style definitely caters to his game," said Detroit guard Vinnie Johnson. "They were running and he was at his best, really in his rhythm."

Los Angeles led only by 47-46 at halftime, but as the Pistons played hesitantly during the third and fourth quarters — making only 16 of 47 shots — Laker confidence grew so much that Detroit never truly threatened.

Johnson put a final exclamation point on his performance. Driving into the lane, he twisted his head to his left; three Pistons headed that way, clearing a path to the basket. The lay-up gave the Lakers a 94-80 lead.



Magic Johnson, right, and Kareem Abdul-Jabbar, exchanging midlevel fives toward the end of Game 3.

Yount's Bat Spurs 16-2 Romp

Compiled by Our Staff From Dispatches

CHICAGO — With his team ahead, 13-2, Robin Yount could be forgiven for indulging in a little selfishness.

Yount had singled in Sunday's first inning, homered in the third and doubled in the sixth. He was the leadoff batter in the eighth. "I was aware I needed a triple to hit for the cycle, and in a game like that you can gamble," said Yount.

Who hit a deep drive to left-center and made a headlong dive safely into third, becoming the third Milwaukee Brewer ever to hit for the cycle.

Dale Sveum hit two home runs and Rob Deer added a two-run shot to lead a 16-hit attack as Milwaukee pounded the White Sox, 16-2.

The only other two Brewers to hit for the cycle were Mike Hegan in 1976 and Charlie Moore in 1980. "It takes some luck," said Yount. "The triple is the hardest hit to get, because you have to hit it in the right place — you have to find an alley."

The 16 runs and 9 extra-base hits were season highs for Milwaukee. "We're just a feast or famine team," said Manager Tom Trebelhorn. "We got into their bullpen early and we hit some balls hard."

Sveum homered from both sides of the plate for the second time in his career. He hit a three-run shot batting left-handed in the fifth and a two-run homer right-handed in the eighth. "We shouldn't have to wait 60 games to get a blow-out," Sveum said. "We're too good a hitting team."

Royals 6, Angels 4: In Anaheim, California, Bill Backus collected three hits and three RBIs to pace the Royals. Winner Ted Power, coming off two consecutive shutouts, retired 20 consecutive batters following Jack Howell's leadoff double in the second. Power struck

out six and walked none; his scoreless-earning streak was stopped at 18 when Walls Joyner homered following Brian Downing's first-inning double. Kansas City has won nine of its last 10 games.

Twins 6, Mariners 2: In Seattle, Gary Gaetti ignited a five-run fifth

with a two-run homer. Charlie Lea, who got the victory, allowed four hits in his seven innings. Entering the game with an earned-run average of 6.65, Lea struck out two and walked five.

Rangers 3, Athletics 2: In Arlington, Texas, Ruben Sierra hit his third home run in four games to help Texas hand Dave Stewart (4-5) his fifth loss in his last six decisions. Winner Charlie Hough ran

Padres 5, Dodgers 2: In San Diego, a two-run double by Carmelo Martinez fueled a four-run third that powered the Padres to their fourth consecutive victory. Ed Whitson allowed six hits in seven innings in winning his third straight decision.

BASEBALL ROUNDUP

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Ballesteros Beats Three Foes In Playoff to Win U.S. Golf

The Associated Press

HARRISON, N.Y. — Seve Ballesteros did not hesitate on the tee of the first playoff hole at the Westchester Classic on Sunday, and he left the green as champion.

On the 314-yard (287-meter) par-4 10th hole at the Westchester Country Club, the aggressive Spaniard went for his driver. "There was no question," he said. "I in a four-man playoff you have to try to make birdie as soon as possible, because if you don't, someone else will."

His tee shot tailed left a little, catching a greenside bunker, but he blasted out and sank a five-foot (1.52-meter) putt that:

Eliminated Greg Norman. David Frost and Ken Green;

Gave Ballesteros his first U.S. title in three years and his sixth in all;

Stamped him a likely favorite for this week's U.S. Open, a tournament Ballesteros ranks as his premier career target. "This is a tremendous help," he said. "Confidence is very important to me."

Ballesteros, Norman, Frost and Green all birdied the 18th to finish the regulation 72 holes at 276, eight shots under par. Norman came from six strokes off the pace with a 7-under-par 64. Frost had a 68 and Ballesteros a 67 while Green, the third-round leader, shot a 70.

On the first playoff hole, all drove into trouble of one sort or another, and Ballesteros coped best. Frost came out of a fairway bunker but missed a 15-foot birdie putt; Green was bunkered in two and finally made a bogey; Norman's third-shot chip from the deep rough left him with a makeable putt — for par.

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Hagler Calls It Quits

Compiled by Our Staff From Dispatches

RAVENNA, Italy — Former middleweight champion Marvelous Marvin Hagler announced his retirement from boxing Sunday night, saying he didn't want to wait around for a rematch with Sugar Ray Leonard.

"My heart says yes" to continuing as a fighter, "but my brain says no," Hagler said after watching his half-brother, Robbie Sims, lose to World Boxing Association WBA middleweight champion Sambu Kalambari, a Zaire-born Italian, on a unanimous 12-round decision (Kalambari is 44-3-2 lifetime; Sims is 29-5-2).

"The only reason I would return would be to regain my title, but since Leonard has been playing games it would probably take another year to work things out," he said.

Hagler, 34, hasn't fought since losing a split decision to Leonard on April 6, 1987. Leonard, who came out of retirement for the bout, retired again following his victory but recently indicated that he might fight again.

"I feel fortunate to get out of the ring with my faculties and my health," Hagler said. "I'm going to say goodbye to boxing. I'm going to retire and go into the movies. I finished the filming of my first movie, 'Indio,' in Italy last month. Hagler, who feels he beat Leonard, said not getting a rematch "still bothers me a little. I won that fight in my heart. I want all my fans to know how hard it was to say what I just said. But life must go on. Inside, I feel good."

"I think Ray is going to continue to play games, being the politician that he is," said Hagler. "I don't want to wait for him."

Hagler, of Brockton, Massachusetts, said he reached his decision after talking with his wife, his mother and his longtime co-manager, Goody and Pat Petronelli — "all the people I love. I feel very fortunate," he said. "Boxing has been very good to me. I fought everyone who was out there. Now I'm getting out."

Hagler, who earned more than \$40 million in his career, was the undisputed middleweight champion before he was stripped of his WBA title shortly before the Leonard fight.

Leonard won the World Boxing Council and International Boxing Federation belts from Hagler, but they also became vacant after Leonard stepped down (Iran Barkley beat Thomas Hearns last week for the WBC title; Frank Tate is the IBF champion).

Unlike Leonard, who parlayed an Olympic gold medal into instant stardom, Hagler's climb to the top was slow and often discouraging. He turned pro in 1973, but didn't become champion until he stopped Alan Minter in the third round on Sept. 27, 1980. The fight in London ended with Hagler and his handlers being pelted by bottles and debris thrown by hostile British fans.

Before losing to Leonard, he successfully defended his title 12 times, two short of Carlos Monzon's middleweight record.

His two biggest fights were the loss to Leonard and his third-round knockout of Thomas Hearns on April 16, 1985.

Hagler's record is 62 victories, 3 losses and 2 draws, with 52 knockouts. (AP/LPI)

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